Daily Report

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FBIS-EEU-93-243 *21 December 1993*

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Geneva Talks Begin; Sarajevo Airlift Suspended

LD2112113093 Bern Swiss Radio International in English 1100 GMT 21 Dec 93

[Text] A new round of peace talks on Bosnia-Herzegovina is under way in Geneva, but Bosnia's Muslim President Alija Izetbegovic says he does not expect the talks to produce a final settlement.

Leaders of the three warring sides, plus the presidents of Serbia and Croatia, are holding a day of talks before moving to Brussels on Wednesday to meet with European Union foreign ministers.

Diplomats in Geneva say President Slobodan Milosevic of Serbia and Franjo Tudjman of Croatia are expected to propose a new plan for Bosnia's ethnic division, which may offer some territorial concessions to the Muslims. The Muslims are demanding a minimum third of Bosnian territory, including access to the Adriatic Sea.

Meanwhile, the United Nations has suspended its airlift to the Bosnian capital Sarajevo after a relief plane was hit by rifle fire on Monday.

Leaders Assemble

AU2112102693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 21 Dec 93

[Mufid Memija report from Geneva]

[Text] [Words indistinct] another Geneva round is to take place today. In an attempt to stave off the damaging consequences of Greece [words indistinct] at the beginning of 1994, the governments of the Western countries insisted on an urgent meeting of all the parties, whose cooperation and influence can greatly contribute to the normalization of conditions in Bosnia-Herzegovina.

The plenary session of the legal authorities of our country, and the representatives of the two aggressors' sides is to take place at 1100 [1000 GMT]. The masterminds and patrons of the forceful fragmentation of Bosnia-Herzegovina have also been invited as have the cochairmen of the conference on the behalf of the Unites Nations and the EU.

Our delegation is led by President Izetbegovic. Milosevic, Bulatovic, and Tudjman are also here. The Serb aggressors on the ground are to be represented by war criminal Karadzic. Mate Boban has already been spotted in Geneva. However, even if he does lead the Croat negotiators from Bosnia-Herzegovina, it seems it will be his last performance as leader. Foreign sources, both media and diplomatic, believe that the information about Zagreb having recently unconditionally dismissed the little dictator from Grude is completely true.

Keeping in mind the experience with so many futile negotiating sessions, no one in his rational mind can have any illusions that significant progress will be reached at the talks in Geneva today and in Brussels tomorrow. Still, we will be reporting on all the events [words indistinct].

This is Mufid Memija reporting from Geneva for Bosnia-Herzegovina Radio and Television.

Owen Expects Progress

AU2112101893 Paris AFP in English 0947 GMT 21 Dec 93

[Text] Geneva, Dec 21 (AFP)—Yugoslavia peace mediator Lord Owen said Tuesday he was "fairly confident" of winning territorial concessions from Bosnian Serbs and Croats demanded by Bosnia's Moslem-dominated government, as peace talks resumed here.

Owen said Croats and Serbs had promised to try to identify areas to be handed back to the Bosnian government which would give the Sarajevo authorities control of the third of the former Yugoslav state it has demanded.

"There has been a lot of movement towards 33 ⅓ percent," said Owen. "I am fairly confident that that can be reached," during talks here between the three warring parties to the Bosnia conflict, he added.

A land hand back could pave the way for a settlement of the 20- month conflict at talks here, to be attended by leaders from neighbouring Croatia and the rump Yugoslavia of Serbia and Montenegro.

Further discussions are set for Brussels on Wednesday under E.C. auspices.

Under a Bosnia peace plan devised by Owen, the European Community's envoy, and his UN counterpart Thorvald Stoltenberg, the Sarajevo government would have controlled 30 percent of Bosnian territory, to 18 percent for Croats and 52 percent for the Serbs, who currently control 70 percent of the country.

That peace plan was rejected by the Bosnian parliament late September.

Bosnian President Alija Izetbegovic has been pressing for an extra four percent of territory, mainly at the expense of Serb-held areas in eastern Bosnia, and for access to the sea via the Croat- held port of Neum.

At the same time, Serbs and Croats are fighting over a large chunk of land in the Krajina territory of Croatia which has been seized by Croatian Serbs.

Owen's optimism contrasted sharply with the Moslem leader's downbeat assesment of the prospects for a peace deal.

On arrival here Monday Izetbegovic said "I don't see any change" in the negotiating position of the rival Serbs and Croats since the peace talks collapsed earlier this month.

Asked if a peace deal were likely to be signed Bosnian Prime Minister Haris Silajdzic said, "I don't think so."

Montenegro Leader Hopes for Accord

LD2012220293 Belgrade TANJUG Domestic Service in Serbo-Croatian 2125 GMT 20 Dec 93

[Excerpt] Geneva, 20 Dec (TANJUG)—I sincerely hope that synchronized international diplomatic action will create conditions for reaching and signing a final agreement for Bosnia-Herzegovina, Montenegrin President Momir Bulatovic told TANJUG this evening.

As far as the readiness of the Yugoslav side and the Serb Republic [in Bosnia-Herzegovina] is concerned, this readiness for a constructive dialogue and finding solutions for conditions set by the European Union has existed since a long time ago, in the belief that a fair and concrete agreement should be reached.

I believe, President Bulatovic went on to say, that if we are in the position—and I believe we will be—to meet these conditions set by the European Union, then pressure should be exerted solely on the Muslim side. [passage omitted]

Muslims 'Downbeat'

AU2012211393 Paris AFP in English 2056 GMT 20 Dec 93

[Text] Geneva, Dec 20 (AFP)—Bosnian Moslem leaders arriving here Monday for talks on ending the conflict in Bosnia-Herzegovina were downbeat about prospects for concluding a peace pact.

Bosnian President Alija Izetbegovic said, "I don't see any change" in the negotiating position of the rival Bosnian Serbs and Croats since the peace talks collapsed earlier this month.

Asked if a peace deal were likely to be signed here Tuesday or in Brussels Wednesday, Bosnian Prime Minister Haris Silajdzic said, "I don't think so."

Croatian President Franjo Tudjman and his foreign minister Mate Granic arrived earlier to take part in Tuesday's talks, to be chaired by international peace mediators Lord Owen and Thorvald Stoltenberg.

The Bosnian government has demanded up to four percent more territory, mainly at the expense of Serb-held land in eastern Bosnia, in return for peace.

Under the Owen-Stoltenberg plan to carve Bosnia into three ethnically-based mini-states, the Bosnian government would be given 30 percent of the country, compared with 18 percent for Croats and 52 percent for Serbs, who currently control some 70 percent of Bosnia.

Moslems have been seeking an outlet to the sea at the Croat-held port of Neum.

Participants Optimistic

LD2112123593 Belgrade TANJUG in English 1157 GMT 21 Dec 93

[Pool item]

[Text] Geneva, Dec 21 (TANJUG)—The new round of peace talks on Bosnia-Herzegovina, which opened in Geneva on Tuesday morning, could result in the signing of a peace agreement, the co-chairman of the conference on former Yugoslavia, Lord David Owen, has said. On Tuesday, Lord Owen first met with Croatian President Franjo Tudjman, and is later expected to meet with the presidents of Serbia and Montenegro, Slobodan Milosevic and Momir Bulatovic, and the leaders of the three warring sides in Bosnia: Radovan Karadzic (Serbs), Mate Boban (Croats) and Alija Izetbegovic (Moslems). The participants of the new round of peace talks expressed moderate optimism.

Lord Owen said that the main difficulty, territorial concessions to the Moslems, has almost entirely been removed, but warned that territories are not the sole problem.

He expressed hope that after Sunday's parliamentary elections in Serbia, Milosevic will be able to pressure the Bosnian Serbs to make additional territorial concessions to the Moslems.

Bosnian Serb President Radovan Karadzic believes that this round of peace talks in Geneva and in Brussels on Wednesday, will finally be successful.

Bosnian Croat leader Mate Boban and radical Moslem leader Alija Izetbegovic refrained from making any prognosis.

Negotiation Points Viewed

LD2012202693 Zagreb HTV Television in Serbo-Croatian 1830 GMT 20 Dec 93

[Text] [Announcer] A Croatian Television crew is currently in Geneva. A report by Jozo Curic.

[Curic] The co-chairmen are presenting a proposal tomorrow on a militarized Bosnia-Herzegovina, after Portugal revived the idea on a demilitarized Bosnia. Will the biggest barracks in the world—a Bosnia-Herzegovina with three opposed armies—be solemnly opened in Geneva? This is threatening the west from the east.

Croatian President Tudjman and a delegation composed of Mate Granic, Hrvoje Sarinic, Mile Akmadzic, Zeljko Matic, and Mile Cuk arrived in Geneva half an hour ago. Bilateral meetings between the Croats and the Muslims have been scheduled for this evening and tomorrow.

[Herzeg-Bosna] President Boban has announced he would uphold the European Union's peace initiative.

Minister Kinkel denied that he supports the new Russian initiative aimed at the complete lifting of sanctions

against the so-called Federal Republic of Yugoslavia or, in case Moscow's unknown proposal is rejected, the imposition of sanctions against all three sides. Russia wishes to remain on the scene while the European Union would rather wait in Brussels for Geneva. Forty- eight million European Currency Units in humanitarian aid, a host of unresolved territorial issues in Bosnia, and Lord Owen's shaky job—this is Brussels today.

The European Union is demanding only those concessions of the Croats made on the carrier Invincible—an outlet to the sea for the Muslim republic is out of the question, the Croats will only agree to an economic deal on a free trade zone in the port of Ploce, and the possibility for the construction of a port on the Neretva where the current is strong—on the border between the Croat Republic of Herzeg-Bosna and Croatia. The concessions from the carrier include a joint Croat-Muslim agency for the development of tourism and the expansion of the Muslim republic to the south, south of Mostar. Alija Izetbegovic will not get a shoreline or maritime borders—this is what the Croats are presenting to the European Union. In other words, they are not backing off from the concessions made on the aircraft carrier.

Speaking about the demands for an outlet to the sea, President Boban said:

[Begin Boban recording] Nowhere will the Muslims get a shoreline. [end recording]

[Curic] President Boban met with American Congressman McCloskey, whom he warned about the agreement between the Muslims and the Serbs on the division of Bosnia-Herzegovina. Mate Boban asked for qualified observers who would resolutely tell the world about who was violating the peace agreements—that this is certainly not the Croat side. The American was advocating an end to the conflict between the Croats and the Muslims. The talks also focused on chances for the establishment of peace.

Many commentators in Geneva have interpreted the Russian initiative as the resolving of Serb-Croat relations, not as the setting up of a new Bosnia-Herzegovina. The Muslims are demanding one-third of the territory from the Serbs, access to the sea from the Croats—in fact, they want the war to drag on.

Geneva is again proving that the gun and the multiple-rocket launcher will be a decisive factor on the ground in the future and that both Croat delegations are willing to accept all peace plans, but not at the cost of Croatia's fragmentation and the destruction of the Croats in Bosnia-Herzegovina.

No Muslim sovereignty along the coast; the Croats are opposed to a militarized Bosnia; many American delegates are here. The talks will be painstaking, the co-chairmen want an agreement before Christmas, pressure is being exerted on the Croats to no avail—the Croats will not give in in any respect.

Talks Postponed

AU2112112893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 21 Dec 93

[Mufid Memija report from Geneva]

[Excerpt] Even though the talks were meant to start at 1100 [1000 GMT] this morning, the latest round of talks in the Palais des Nations in Geneva has been postponed to 1430. We do not know the reasons for this delay, but diplomatic circles in Geneva believe that the aim of calling this meeting at all prior to the coming Christmas and New Year holidays—which mean a lot to West Europe—is to exert decisive pressure on all three sides to accept some kind of an applicable agreement. The pressure on the Serb aggressor is aimed at their unconditional territorial concessions to the Bosnian side, while the Croats are to give Bosnia access to the sea near Neum. The pressure on the representatives of the Bosnian Government is aimed at having them accept this offer in the package without any additional conditions. [passage omitted]

Cabinet Decides To Open Embassy in Macedonia

AU2012151093 Sofia BTA in English 1457 GMT 20 Dec 93

[Text] Sofia, December (BTA)—At a regular sitting today the Council of Ministers decided to open a Bulgarian Embassy in Macedonia. So far, the contacts between the two countries have been on a general-consulate level, the cabinet's Press Office recalled.

On January 15, 1992, Bulgaria became the first country to recognize officially the Republic of Macedonia.

Aleksandrov Views Defense Industry Prospects

AU2012151493 Sofia 24 CHASA in Bulgarian 13 Dec 93 p 11

[Interview with Bulgarian Defense Minister Valentin Aleksandrov by Lyubomir Denov; place and date not given: "Who Has an Interest in the Defense Ministry Losing Deals Worth Billions?"]

[Text] [Denov] Mr. Minister, in the present situation of financial shortages, will our army survive without cuts? Some time ago, Chief of General Staff General Lyuben Petrov defended the thesis that at this stage the army can only be saved if no one lays a finger on it?!

[Aleksandrov] Gen. Petrov was viewing the situation as a professional army officer. I look at things as an expert in military politics.

In my view, there are three alternatives that should be developed to escape from the crisis: with a 12-month period of conscription combined with certain reductions in numbers of officers and sergeants; with a 15-month conscription period; and when the present position regarding conscription is retained. However, I continue to maintain that these are intellectual models, and this in no event means that we will start making cuts tomorrow, although the present Law on General Military Service entitles us to retire those over 50 years of age. However, it will be immoral to throw people onto the street who have spent their lives serving the Bulgarian Army.

The fact that we will be unable to cope with the 1994 budget is a different matter. The simple truth is that the 13 billion leva that parliament will grant us will not go anywhere. It is senseless to give injections when the organism itself makes no attempt to get back on its feet. In this sense, the troops cannot avoid experiencing painful, but necessary changes. "His Highness the Balance Sheet," as Atanas Burov put it, will continue to push us against the wall.

[Denov] Since the money is not enough, what will be the Defense Ministry's priorities? Whom will you give money to first?

[Aleksandrov] We will continue to try to put military intelligence back on its feet. If we have to be poor, let us not be blind as well. We will help the air force as much as we can, and in no event will we abandon the land forces.

We should not forget that Bulgaria continues to remain in a dangerous strategic vacuum. We should remember that our western border does have some kind of protection, but on the northeast border we have absolutely nothing.

[Denov] In this situation, can Bulgaria feel serene in the Balkans?

[Aleksandrov] In my opinion, yes. I exclude the possibility of military aggression by Turkey. We are calm as regards Greece and Romania. At the moment, the Serbs are too busy to pay attention to us.

I am also counting on the framework military agreements that the Defense Ministry has signed with almost all our neighbors. They do not have the force of treaties, but they do guarantee friendly relations and stability.

[Denov] Recently opinions have been voiced that the military repair plants controlled by the Defense Ministry can help our troops. Is this so?

[Aleksandrov] There is some sense in this. If we manage to negotiate contracts for repairing foreign military hardware, the Defense Ministry will solve the social problems of 100,000 people and will create a fund for modernizing the army.

The first project under negotiation is to repair Syrian armored vehicles. At the moment the talks are going well. The second, more important project is to repair old types of African MiG aircraft, which Israel has offered us. This deal would bring the country around $3 billion and would provide enough work for the plants in Plovdiv and Karlovo to work three shifts a day for at least five years.

Recently, however, the question has been unnecessarily politicized. While our clever pundits worry over whether some of our Arab friends may be offended because we are "arming" Ivory Coast or Madagascar, Israel has begun to look toward Romania. We are well on the way to losing half the deal before we have even got it in the bag.

[Denov] Is it true that Indian aircraft will be repaired in Bulgaria?

[Aleksandrov] India repairs its aircraft alone. In Delhi the Bulgarian Ministry of Defense won a tender on supplying military property [imushtestvo]. I stress, it was the Ministry of Defense that won the tender and not Bulgaria as a whole, because other Bulgarian companies also participated in the bidding. Behind them there were several Bulgarian diplomats who worked in India, and the wife of a Bulgarian diplomat who is stationed there at present. They concocted four reports denouncing the Defense Ministry. Three of those reports dealt with accusations of corruption, while I personally was accused of undermining the national defense industry?! The

participation of intermediary trading companies in the attacks was obvious. After all, those companies lost the fat 5 percent commission on the deal.

However, gentlemen, the tender was won by the Ministry of Defense in an absolutely legal manner. If anyone tries to foil the deal he would cause Bulgaria a great loss, because Israel, which was in the second position, will immediately grab it. After Israel there is Hungary.

We have not signed the contract yet. If this happens soon the military repair plants will have work. In addition, a part of the profit will be used to cover some of the army's countless needs.

[Denov] What is your attitude to the claims that the imbalance between the president, the parliament, and the Ministry of Defense in anything related to the controlling the army, has been incorporated in the draft bill on defense and the Armed Forces?

[Aleksandrov] Relations between the commander in chief, the Defense Ministry, and parliament are not regulated in a judicial manner. Therefore, it is very difficult to find the precise balance. Parliamentary control over the army is mainly implemented through the budget, despite the fact that the National Security Commission sometimes almost claims complete control over the army. They even suggested the idea of approving candidates for the post of military attaches?! In the same vain they could ask tomorrow that the resident military intelligence agents should also pass through the commission! One should think about this phenomenon—since there is a lack of parliamentary practice, certain structures of the National Assembly have claims similar to those invested in Robespierre's Convent.

[Denov] Recently you were accused of incompetence.

[Aleksandrov] This was not the only accusation. I was also said to be a lecher.

[Denov] Good, let us talk about both accusations.

[Aleksandrov] Only the prime minister and the parliament can pass judgment on my performance. During the most recent parliamentary control session of the National Assembly my performance was positively assessed by both the left and the right. So far Prime Minister Berov has not criticized me for anything.

The second accusation is clearly biased. It is obviously an expression of the inability of certain gentlemen to concoct an accusation of corruption against me, or to attribute various sexual deviations to me.

[Denov] Nevertheless, rumors persist about abuses in the army....

[Aleksandrov] Yes, unfortunately. Therefore I created a special auditing management, which is directly subordinated to me. It is still being formed. Nevertheless, many corruption cases have been revealed at the lower levels. Those who were implicated were immediately expelled from the army after due procedure.

We shall pursue a constant and pitiless struggle in this area. However, you must bear in mind that such tricks are very difficult to prove in the arms business. Therefore, on my orders, a special commission to combat corruption has been set up at the Ministry of Defense. Members include high-ranking military, and representatives of counterintelligence, the Finance Ministry, and the Military Prosecutor's Office.

'Unofficial Report': SDS Reelects Dimitrov

AU2112111593 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 21 Dec 93

[Report by Silviya Velikova from 134 Rakovski Street, Sofia—headquarters of Union of Democratic Forces on 21 December—live or recorded]

[Text] A short while ago it became clear that the new leader of the Union of Democratic Forces [SDS] is still Filip Dimitrov. This information has not yet been officially confirmed by the SDS press center, but the SDS supporters waiting here learned this information from one of the SDS headquarters staff.

If I have to be objective, I must say that this news was received with very great joy by the people here. I will go back in time a little and tell you that at 0900 [0700 GMT], when the SDS National Coordinating Council began its meeting, these people were already standing here and openingly expressing their support for Filip Dimitrov.

According to the information that we have about the proceedings of the council session, three candidates were reportedly proposed for the leadership: Filip Dimitrov, Stefan Savov, and Vasil Mikhaylov.

After we have learned the name of the new leader, the SDS council now has to elect the deputy chairmen. However, since the council session is in principle being held behind closed doors, I cannot say who will be proposed as candidates.

I would like to add that the SDS supporters outside the building have started collecting signatures for a petition calling for a sixth extraordinary SDS conference.

This is all the unofficial information that I have at present. We are now waiting the regular SDS news briefing, which will start as always at 1230 [1030 GMT] and will no doubt confirm that Filip Dimitrov is the new-old leader of the SDS.

Berov Blames SDS for Delaying Reforms

AU2012154293 Sofia 24 CHASA in Bulgarian 14 Dec 93 p 9

[Article by Bulgarian Prime Minister Lyuben Berov: "Will for Reforms"]

[Text] For the fourth year now, Bulgaria has been experiencing and suffering from a severe crisis that is apparently inevitable following the collapse of a political-economic system and the associated totalitarian government that ruled the country for 45 years. It is therefore quite logical for mutual bitterness to appear in society, with some of the people being united by slogans with the prefix "anti."

The crisis accompanied the election campaign and found expression both in the elections for the Grand National Assembly and in the confrontational style of politics, which was imposed by the then BCP [Bulgarian Communist Party] and later adopted by the SDS [Union of Democratic Forces]. Unfortunately, this style of politics continued during the elections of October 1991, when the main part of the SDS that had separated out from the old SDS movement won a minimum majority. However, this majority was not enough to achieve political stability in the country. It produced a political coalition lacking durability that disintegrated at the end of 1992 when, as might naturally be expected, the further exacerbation of the crisis led to the formation of the present government of experts.

Despite the fact that the Council of Ministers has been burdened with the arduous mission of continuing the reforms in an extremely difficult situation, for a whole year now it has been the subject of unmotivated criticism and reckless vilification on the part of the dark blue [hard-line SDS] opposition. They carry water from dry wells with the aim of denying the results the cabinet has achieved. This proves that, even in the last days of 1993, the confrontation that has unfortunately overtaken us has not yet been overcome. However, one may also note a more important result, namely that now most of the people clearly understand the negative effects of confrontation on economic revival and in the foreign policy field.

Hardly anyone now accepts confrontation as a favorable environment for carrying out the reforms in Bulgaria. Despite this, so far as the present realities permit, the government has done its job in fulfilling its program since it was adopted on 30 December 1992. What have we achieved so far? Today, the decline in production is at long last almost halted. We have reduced annual inflation to 64 percent, while in the interest of the truth I should remind the reader that in 1992 it was 80 percent.

During our term of office, in 1993 production has declined by 4 percent compared with 1993, whereas in 1992 it declined by 22 percent compared with 1991! When we assumed office at the end of 1992, barely 5 percent of the farmland had been returned to its owners, whereas now the figure is 52 percent.

On the basis of comprehensive analyses in a number of sectors, we have already determined which enterprises have a future and which are making losses or have lost their markets, so that they have to go into liquidation. In other words, the structural reform of industry has begun. Many of the enterprises that have to be liquidated have already been closed down and their workers dismissed. Despite this, we did not permit the realization of the gloomy forecasts of 1 million unemployed at the end of 1993, which certain "critics" foretold would happen.

In fact, today unemployment stands at 16 percent of the work force. One sees similar levels in a number of countries that are not carrying out reforms to change the system (15 percent in Turkey, 14 percent in France, and so on). We have reached an extremely advantageous agreement on Bulgaria's foreign debt with the London Club foreign creditor banks. Despite the series of unforeseeable external obstacles, we also managed to achieve the signing of the Interim Trade Agreement Between Bulgaria and the European Union. We are expecting a standby agreement to be signed with the IMF. Everybody knows what this means for Bulgaria's economy and for every Bulgarian citizen.

However, the SDS parliamentary group's tactics of delaying parliament's legislative work still frustrated the attainment of a breakthrough in privatization, the fight against crime, and the reforming of health care, education, the banking system, and so on. In its desire to promote a lessening of confrontation and in the name of the country's common lasting interests, the government has so far closed its eyes to the way the SDS parliamentary group has been behaving. The time has come, however, to declare that the obstinate, irresponsible, and destructive attitude that is being maintained by the leadership of the SDS parliamentary group can and must be overcome, because it is evidently aimed at halting all the reforms until the SDS regains power.

Moreover, as all the public opinion polls show, the reforms cannot wait for a political force, whichever it may be, to return to power to carry them out. I believe that this parliamentary destructiveness can be surmounted by improvements to the Regulations for the Operation of the National Assembly or by a counter tactic of stopping the attempts to drag out ad infinitum the work of certain fundamental parliamentary commissions and to waste parliamentary times with interruptions, exchanges, answers, personal explanations, artificial recesses, and so on. Otherwise, the country will involuntarily be drawn into the dilemma that has already been suggested of granting legislative powers to extraparliamentary bodies. Thus, we reach the logical conclusion that either parliament as a whole will prove that it can operate as the legislator of the reforms, or it will prove that it is blocked and therefore condemned to failure. The people in Bulgaria have realized that the time of noisy "anti-" protests is already past, and it is high time for the political forces to realize this as well; they should understand that shouts of protest cannot form a stable basis for a political coalition, even less so for a temporary stabilization of declining political forces.

In Bulgaria, the second stage of development is already under way, a stage that is characteristic of almost all

revolutions or historical coups d'etat. Following an initial, more or less universal enthusiasm for protest against what went before, based on ill-defined hopes for the future, the time comes for closer definition of the general slogans and differentiation of the heterogeneous views and interests that have already been felt. In part, this gives rise to a new wave of bitterness, but it is a necessary stage in the process of bringing national political life back to normal.

Some time ago the poet Ivan Radoev declared that the Bulgarian people are already so disunited that only a foreign attack can reunite them. Is it really true that only this can unite us as a nation? Does an overloaded boat have to tip over and sink before its passengers realize that they have to row forward in unison, instead of rocking the boat with their irresponsible bickering?

Today, many people are loudly calling for early elections, but in practice they are secretly avoiding them, as they know that they are not ready. While we wait for the time when the parties are ready, do we really have to waste so much strength and energy on political intrigues of doubtful morality, unworthy of our nation, instead of getting on with the reforms?

Again, some trade union leaders are attempting to draw attention to themselves by calling for strikes and other political actions. However, I believe that the Bulgarian people, by the way they behave this winter, will in the final event show whether they need further shocks on their road forward.

I am convinced that the majority of the Bulgarian people have enough common sense and will for reforms for us to be able to accomplish at least five short-term tasks, which are:

—for parliament to pass the long-delayed minimum legislation for mounting an offensive against crime;

—to speed up and substantially extend the scope of privatization, after voting through the appropriate additions to the existing Privatization Act, with a view to making the market methods of privatization used so far easier to apply and making a start on the proposed mass social privatization according to the models followed in Czechia, Poland, and other East European countries;

—to conclude the process of returning agricultural land to its owners during 1994;

—to continue in a sensible way the structural reform that has started in industry (including settling the issue of the so-called "bad credits" on the basis of the bill proposed by the government); and

—to continue the present anti-inflationary financial policy on the basis of the 1994 budget, so as to further reduce annual inflation to 45 percent, at the same time increasing the penalties for tax evasion. I have recommended that the two chief public opinion poll institutions provide answers to 10 questions connected with the above tasks.

The institutions of state must now display the necessary will to impose the policy of reforms. I believe that consensus on the need for this exists between them.

The government accepts its share of the responsibility, which is heaviest as regards the economic reform and social peace. The government is methodically preparing measures for the economic changes; however, its task is especially complex because, on the one hand, it has to fulfill the will of parliament (although its hands are legally tied in certain fields) and, on the other, it is subjected to pressure as a result of the discontent that many people feel regarding certain unavoidable unpopular measures needed to hold back inflation.

For these reasons, uniting the nation behind the will for reforms that the state institutions are now showing is becoming a crucial condition for creating in Bulgaria a lasting affiliation to the democratic reforms in economic and political life.

National Bank Lowers Lombard Rate by 1 Percent

AU2012153093 Prague HOSPODARSKE NOVINY in Czech 17 Dec 93 p 2

["(ms)"-signed report: "The Czech National Bank Has Lowered the Lombard Rate by 1 Percent"]

[Text] Prague—As of today, the Lombard rate has been lowered from 12.5 percent to 11.5 percent. The Czech National Bank [CNB] Banking Council approved this step yesterday. The reason was the low interest rate on the interbanking [mezibankovni] market and the gradual reduction of the interest rate applied by commercial banks in the entrepreneurial sphere. The Banking Council also approved rules for running exchange offices and sales of foreign currency. The rules have created uniform conditions for banks and other entities when purchasing and selling foreign currency to the public.

The monetary program for 1994, also approved by the Banking Council, is focused on strengthening the stability of the Czech koruna and curbing inflation to 10 percent. Despite the fact that the CNB cannot influence certain factors affecting overall development, the Central Bank believes this goal is realistic. Its 1994 monetary policy will be essentially neutral, oriented toward keeping the monetary supply growth at between 12 to 15 percent. This is expected to create another decline in the interest rates. The CNB is expecting only a slight real increase in the output of the Czech economy, but a more pronounced increase in unemployment, compared with 1993.

Czechoslovak Socialist Party Revived

AU1712214293 Prague CTK in English 1815 GMT 17 Dec 93

[Text] Prague, Dec 17 (CTK)— The Czechoslovak Socialist Party (CSS) was registered today with the Interior Ministry, the CSS spokesman Stanislav Kliment told CTK.

Milan Adam (Czech education minister between 1989 and 1990) was elected chairman of the Organizational Committee.

The CSS will base its policy on the spiritual values of freedom, justice, and solidarity upon which it was born "out of the will of the nationally and socially orientated workers" in 1897, Kliment said.

"In the spirit of its traditional humanitarian and democratic approach, the CSS is open to all citizens who adhere to the ideas of patriotism, democracy, and Czech socialism," Kliment added.

The party's conference is to take place in the second quarter of 1994.

The CSS was founded as the Czech National Social Party in 1897. Under the Nazi occupation, it was dissolved, but after World War Two it was revived as the Czechoslovak National Socialist Party. After the communist coup in February 1948, some of its members were persecuted, but it was never banned and kept existing as the Czechoslovak Socialist Party.

This May, it was renamed the Liberal National Social Party and a month later it left the Liberal Social Union (a coalition formed before the June 1992 elections). Its present membership is about 17,000.

Left Bloc Holds Constituent Congress

LD1812134593 Prague Radiozurnal Radio Network in Czech 1300 GMT 18 Dec 93

[Text] The constituent congress of the Left Bloc [Levy Blok] party convened in Beroun today. The preparatory committee has succeeded in acquiring 2,000 signatures of citizens supporting the establishment of the party. Josef Hajek, member of the preparatory committee and a parliamentary deputy, said when opening the proceedings that in the run up to elections the preparatory committee agreed to cooperate with the Democratic Left of the Czech Republic. However, the party failed to gain understanding with the Communist Party of Bohemia and Moravia.

Final Text of 1994 General Agreement Worked Out

AU2012181093 Prague CTK in English 1543 GMT 20 Dec 93

[Text] Prague, Dec 20 (CTK)—The final text of the 1994 General Agreement was agreed upon by the Council of Economic and Social Agreement (Tripartite) Extended Presidium at its session here today, Czech Minister of Labor and Social Affairs Jindrich Vodicka told journalists after the meeting.

He said the text would now be submitted for discussion to the government, employer unions, and the Council of the Czech and Moravian Chamber of Trade Unions (CMKOS).

Representatives of the government, employers, and unions—members of the Tripartite—today discussed the last controversial part of the draft General Agreement concerning next year's wage policies and the expansion of collective bargaining agreements. Vodicka said the plenary session of the Tripartite will be held January 13 to discuss, among other things, reservations to the General Agreement which might be voiced by the three social partners.

In the General Agreement, which is concluded annually, representatives of the government, employers, and unions pledge to cooperate closely in economic questions to preserve social peace in the country at the current stage of its transition from a centrally planned economy to a market one.

Asked how the draft General Agreement specifically solved wage problems Vodicka said the "agreement states that the goal of wage policies of all parties is that real wages in the Czech Republic should have an increasing tendency," he added, however, that wage increase should be substantiated by the growth of production efficiency.

Aviation Companies Deny Breaking Arms Embargo

AU1712214393 Prague CTK in English 1826 GMT 17 Dec 93

[Text] Prague, Dec 17 (CTK)— Two companies whose representatives met a delegation from GIFAS, the Association for the French Aviation and Space Industry, today denied claims made in a French newspaper that with the help of Czech middlemen French weapons manufacturers are able to circumvent embargoes and sell arms to Libya and Iraq.

A spokesman for Aero Vodochody, Adam Stranak, told CTK that company representatives had not discussed any of the matters alleged in Wednesday's [15 December] edition of the French weekly LE CANARD ENCHAINE. He said Aero was only discussing supplies of French equipment which could be used in the production of aircraft, the L-39 and L-59 for instance, and various other systems. Some GIFAS equipment had already been used, he said.

He emphasized that Aero fully respected Czech laws governing the export and import of weapons technology. "We have never asked anybody to help us get round (them)," he said.

He said Aero representatives had made it clear to the GIFAS delegation that the U.N. arms embargo applied in the Czech Republic too, and so "we do not export to Libya, Syria and other countries on the so-called blacklist, and we don't even try to."

The director of the Malesice Aviation Repair Works (LOM) in Prague, Vladimir Zasadil, told CTK today the meeting with the GIFAS delegation had resulted in no concrete contacts.

The delegation visited LOM on the invitation of the Czech Ministry of Defense to promote contacts between the two countries' aviation industries.

Zeman Warns of 'Expansionist Russian Nationalism'

AU2012131193 Prague CTK in English 1907 GMT 18 Dec 93

[Text] Bratislava, Dec 18 (CTK)—Chairman of the Czech Social Democratic Party Milos Zeman expects a debate on the role of the social democratic parties in Central Europe during their meeting in Bratislava.

"All the Central European states are threatened by the expansionist Russian nationalism, and social democracy cannot close its eyes in front of this. The joint interests cannot be defended by 'isolationism,' but by a gradual merging of the Central European and West European spaces," Zeman said.

"We are beginning a project which could lead to a social democratic Central Europe in a few years," Zeman said on the first meeting of seven social democratic parties from the Czech Republic, Slovakia, Hungary, and Poland.

"In 1989, we (the Czech Republic) seemed to have been the last island of communist conservatism in Central Europe. The situation repeats, and we may become the last island of Thatcherite conservatism," Zeman stated.

Zeman spoke in favor of Central European integration within Pan- European integration. "The creation of a common Central European market was proposed, but only proposed, by our government economists. This market would speed up boosting of the economy without which no social peace can exist," he added.

"The fruitful idea of the Visegrad Four was relinquished to a large extent by the conservative forces, which we consider to be a mistake," Zeman said.

"Meciar's government was not successful. By forming a coalition with the Slovak National Party, the Movement for a Democratic Slovakia proved to be, in fact, a right-orientated party, although it sometimes uses leftist rhetoric," Zeman stated.

Klaus: Russia's Gaydar 'Calmer Than Expected'

AU2012125193 Prague CTK in English 1542 GMT 19 Dec 93

[Text] Prague, Dec 19 (CTK)—Russian Vice Premier Yegor Gaydar looked "calmer than everybody expected" at the funeral of Hungarian Prime Minister Jozsef Antall, Czech Prime Minister Vaclav Klaus said on his return from Budapest.

The two politicians spoke about the situation in Russia and Gaydar did not seem "pessimistic," Klaus said, about political prospects after the success of the ultra-nationalist party, the Liberal Democratic Party, in the elections last weekend. He said Gaydar would start trying to form a government in mid-January and hoped that the reforms would continue.

At the funeral Klaus spoke with President Clinton's adviser on Central European questions, Madeleine Albright. Their conversation concerned the preparations for Clinton's visit to Prague.

He said his conversation with Hans van den Broek, member of the Commission for European Union, had confirmed that there had been no changes in the attitude of interested states to the question of the Czech Republic's admission to NATO.

Hungary's Horn: Hungarians Have Autonomy Right

AU2012131993 Prague CTK in English 1549 GMT 19 Dec 93

[Text] Bratislava, Dec 19 (CTK)—It is very important to conclude a treaty between Slovakia and Hungary which would confirm the respect of borders, peace treaties, and territorial integrity as well as the rights of ethnic minorities, Gyula Horn, chairman of the Hungarian Socialist Party, told CTK today.

The ethnic minority has a right to linguistic, educational, and cultural autonomy as well as right to self-rule in regions where it creates a majority, Horn said.

Some 560,000 ethnic Hungarians live in Slovakia, largely in its southern part, forming 11 percent of the country's population. The meeting of local elected officials in Komarno, south Slovakia, on January 8 is allegedly to establish a 100-member assembly and a "Hungarian province" in southern Slovakia.

"This means autonomy which does not threaten Slovakia's integrity in any respect," Horn added. Horn said that those people who live in the relevant regions should decide about the local self-rule.

Horn believes that his party may win in next year's elections. He spoke in favor of a government coalition with the Party of Free Democrats.

Such a government would strive for historical reconciliation with Slovakia, Horn stated.

SDS' Weiss: Hungarian Province 'Unacceptable'

AU2012135793 Prague CTK in English 1841 GMT 19 Dec 93

[Text] Bratislava, Dec 19 (CTK)—"Territorial autonomy for the Hungarian minority (is) quite simply unacceptable," but negotiations should be conducted on self-administration in education and culture, Peter Weiss, chairman of the chief opposition Democratic Left Party (SDL) said today.

Hungarian-Slovak relations are complicated on the one hand, Weiss said, by memories of the Vienna Award (of December 1938 and resulting in the cession of a portion of southern Czechoslovakia to Hungary) [as received] and on the other by oversensitivity about the status of the minority.

It is impossible and offensive to compare the situation of the Hungarian minority in Slovakia with that in Vojvodina, northern Serbia, he said at the end of the social democratic parties meeting in Bratislava today.

Weiss said it was essential first to guarantee the inviolability of the borders and then resolve the problems posed by the ethnic minority on the basis of international standards. "We understand it to be a question of respecting the obligations (made) on entry to the Council of Europe, and not as a problem of inter-state relations. The solution must be permanent.... The settlement of relations is a fundamental precondition of our security policy," he said.

Asked for his reaction to Hungarian demands for self-administration in areas where Hungarians predominate, Weiss said that the Slovak self-rule system worked. Indeed, in some regions with only thirty percent Hungarian minority, the administration was entirely Hungarian because Slovak parties had had no success with individual candidates. Hence it was important the Hungarians realize that it was not only a matter of the rights of the Hungarian minority but also of those Slovaks who find themselves in the minority in particular regions.

He was referring to the plan of the Association of Towns and Villages of Zitny Ostrov (SMOZO) to hold a meeting of local elected officials in Komarno, south Slovakia, on January 8 in order, allegedly, to establish a 100-member assembly and a "Hungarian province" in southern Slovakia.

CSSD Favors Restoration of Czechoslovakia

AU2012170993 Prague CTK in English 1537 GMT 20 Dec 93

[Text] Bratislava, Dec 20 (CTK)—Czech Social Democratic Party (CSSD) chairman Milos Zeman told Slovak Radio today the CSSD had included restoration of Czechoslovakia on the principles of a union in its program.

He added, however, the possibility of the restoration of the common state was dependent on a referendum in which the majority of eligible voters in both the Czech and Slovak Republics supported the idea.

The chairman of the strongest Czech opposition party said it was the social democrats who had been most harmed by communism because it discredited some social democratic values by declaring them but not realizing them in practice. This inevitably caused people to believe that a market would solve everything, Zeman said. He said the social democrats' chance lies in the fact people would soon stop believing in this illusion. They would come to realize that such spheres as health care, education or environmental protection could not do without the participation of the whole society.

This is the principle to which social democrats adhere while the current governmental system leads to the appearance of economic and other Mafias, Zeman said.

He said he firmly believed that after the next parliamentary elections the social democrats will be governing parties in both republics.

Russian MiG's Arrive as Part of Debt Repayment

AU2012161593 Prague CTK in English 0910 GMT 20 Dec 93

[Text] Bratislava, Dec 20 (CTK)—The arrival of five Russian made MiG-29 fighters from Russia is expected

today at the Sliac airport in central Slovakia, the military information and press agency of the Slovak Defense Ministry confirmed to CTK.

By supplying Slovakia with military equipment and spare parts, Russia will partially pay off its debts to Slovakia. A protocol "On the Agreement on the Questions of a Partial Reduction of the Former Soviet Union's and the Russian Federation's Debts to Slovakia in the Form of Supplies of Special Equipment" was signed in Bratislava by Russian Vice Prime Minister Yuri Yarov on November 30, shortly after Slovak Defense Minister Imrich Andrejcak's visit to Moscow.

Under the agreement, Slovakia will be supplied with weapons and spare parts worth $180 million. The total Russian debt to Slovakia amounts to about $1.5 billion.

Prominent Politicians Assess State of Nation

AU2012134193 Prague CTK in English 1704 GMT 19 Dec 93

[Text] Bratislava, Dec 19 (CTK)—Early expectations of a 50 billion koruna (about $1.5 billion) deficit in Slovakia have not been fulfilled, Slovak Deputy Prime Minister Sergej Kozlik said on Slovak Television today.

There has been no crash in the trade balance and no crash in inflation, he said on the discussion program "Kroky," which was assessing Slovakia's performance in the first year of its existence. "We are operating within the framework of a balanced economy," he said. He said that the tide of foreign investment showed that foreign financial institutions accepted Slovakia.

Milan Ftacnik of the opposition Democratic Left Party (SDL) said it was positive that during the year Slovakia had created the institutions it needs for it to function and that the country had been accepted into the Council of Europe and had developed closer relations with the European Community.

He said, however, that Slovakia's political instability and hence economic instability was causing foreign financial institutions to wait and see. Slovakia had squandered the positive picture it had created by the peaceful division of the Czechoslovak Republic, he said.

On the same program, Ludovit Cernak, chairman of one of the government coalition parties, the Slovak National Party (SNS), said that Slovak diplomacy had succeeded in convincing the world to accept the Slovaks as a nation with a right to independence. He positively rated certain indicators of Slovakia's economic state and added that the trade barriers with the Czech Republic would soon be removed. Conversely, he criticized the low quality of political life.

Slovakia's image is worse at the end of the year than at the beginning in the view of Jan Carnogursky, chairman of the Christian Democratic Movement (KDH). "It depends on us and how we present ourselves. We need to respect the rules that apply in the world. The economic parameters are unquestionably worse than last year," he said.

SDSS' Volf Denies Party's Dependence on SDL

AU2012134393 Prague CTK in English 1755 GMT 19 Dec 93

[Text] Bratislava, Dec 19 (CTK)—Chairman of the Social Democratic Party of Slovakia (SDSS) Jaroslav Volf denied to CTK today that by concluding an agreement with the Democratic Left Party (SDL) and accepting a one-million Slovak korunas ($30,000) loan his party would lose independence.

The SDSS is not represented in Slovak parliament.

Boris Zala, Volf's rival in the SDSS leadership who prefers a rapprochement with the ruling Movement for a Democratic Slovakia (HZDS), told press recently that Volf's agreement with the SDL was unequal and humiliating.

Volf said that it was questionable whether it was better to depend on the HZDS and whether the economic links always had to be also political links.

Kovac Meets Parliamentary Party Representatives

AU2012135993 Prague CTK in English 1923 GMT 19 Dec 93

[Text] Bratislava, Dec 19 (CTK)—Slovak President Michal Kovac met representatives of parliamentary parties this afternoon, Slovak Radio announced.

Kovac told the radio that he "was slightly concerned about some talks."

"I was satisfied with the statements by some parties which were ready to include the proposals by the Hungarian ethnic minorities in the amended Law on Registration Offices and in the Law on Official Language."

"But I was not satisfied with the positions of Bela Bugar (chairman of the ethnic Hungarian Christian Democratic Movement) and Miklos Duray (chairman of Egyutteles). I asked them to assess my proposal not to hold the assembly which is to create the Hungarian province on January 8. I also asked them to make a positive step which would make it possible to adopt the Laws on Registration Offices and Official Language. Unfortunately, they were not able to tell their stance at the moment. We have agreed that we will prolong the term for the statement by the Association of Towns and Villages of Zitny Ostrov (SMOZO) until December 21," Kovac said.

Kovac reaffirmed that the SMOZO call is unacceptable for him both by its wording and its intention to declare a sort of independent region from Bratislava to Ukrainian Border.

Goncz Officially Proposes Boross to Parliament

AU2012201893 Budapest MTI in English 1919 GMT 20 Dec 93

[Text] Budapest, 20 December (MTI)—Hungarian President Arpad Goncz officially told Parliament on Monday [20 December], that—with his authority set down by the Constitution—he proposes Acting Prime Minister Peter Boross for the full post of prime minister.

He added that no party in Parliament had objected to Boross personally, even if they did not support the government program.

"Parliament's task now is to ensure continuity of government, and so Hungary's stability, before the second democratic elections," Goncz said. President Goncz asked Peter Boross, as candidate for prime minister, to submit his government's program to Parliament.

A spokesman of the Hungarian Democratic Forum (MDF), the largest government coalition party, told MTI that their arithmetic gave them reason to believe that the 192 votes needed to elect Boross could come from coalition partners and votes from other deputies.

Opposition parties say they will vote "no," and Istvan Csurka's Hungarian Justice and Life Party set terms for its "yes" vote for Boross: New ministers to head the Foreign Ministry and the ministry for Privatization. The independent deputies' group promises six to eight votes for Boross. Remaining independents have doubts over Imre Konya, MDF parliamentary leader, as candidate for interior minister.

Goncz, Boross Comment

AU2012152893 Budapest MTI in English 1317 GMT 20 Dec 93

[Text] Budapest, 20 Dec (MTI)—Hungarian President Arpad Goncz today informed Speaker of Parliament Gyorgy Szabad and Acting Prime Minister/Interior Minister Peter Boross of his intention to nominate the Hungarian Democratic Forum's official candidate—Peter Boross—for prime minister. The president made the announcement at an international press conference today.

Before the decision, the president consulted with the chairmen and parliamentary leaders of all parties represented in Parliament.

Goncz said he informed the speaker of Parliament today that, in compliance with his authority as specified in Para. 33 of the Hungarian Constitution, he nominates Boross to be elected by Parliament as prime minister.

In reply to questions, Goncz said, "In my view the new government will not change Hungary's foreign and domestic policy priorities, as they are determined by present realities."

Boross emerged at the press conference after Goncz's announcement and thanked the president for his nomination. Answering questions from the press, he said that according to the information available to him, he has justified hopes for his nomination to be accepted by Parliament.

He confirmed that he would not effect any change in the composition of the government.

Asked by MTI if he really intended to increase the efficiency of the government, Boross said, "any nation requires a more efficient government at any time. The new government will very precisely define the tasks which it must tackle until the 1994 elections and seek to fulfill them quickly and efficiently. The months to come will be a period of meeting strict deadlines."

"No party, not even the socialists, who said that Hungary needs a provisional government until the 1994 elections, believes that nothing should happen in the interim," Boross said. "On the contrary, it is in the country's interest that the accords and laws accepted should be implemented, and the bills in an advanced stage of negotiation be accepted." Boross mentioned the electoral and the police bills as examples.

The new government will accept the programme of the previous government as binding, and foster the legacy of late prime minister Jozsef Antall, Boross said.

"Since opportunities and conditions keep changing, the new government programme will lay emphasis on updating tasks. On matters of crucial importance, coalition parties will have to coordinate their views. The framework for such coordination has more or less been established," Boross said.

On Imre Konya's nomination for interior minister, Boross said, "as the head of the Hungarian Democratic Forum parliamentary group, Konya has gained appropriate political experience. His qualities as a lawyer are well-known. I'm certain that his performance as interior minister will be adequate."

Boross Outlines Government Tasks

LD2012125593 Budapest Kossuth Radio Network in Hungarian 1100 GMT 20 Dec 93

[Excerpts] After intensive discussions with party leaders and parliamentary group leaders last week, President Arpad Goncz today invited journalists to an international news conference. Acting Prime Minister Peter Boross also appeared at the briefing. This program, "Chronicle", was represented by Katalin Tasi. [passage omitted]

[Tasi] After the president's announcement of his nomination of Peter Boross for prime minister, Peter Boross gave a press briefing. In answer to a question about whether he will gain parliament's support, he said the following:

[Begin recording] [Boross] I was informed that I could have justified hopes.

[Tasi] Do you plan changes in the government?

[Boross] I do not plan changes in the composition of the government.

[Tasi] In recent days Sandor Lezsak [acting chairman of the Hungarian Democratic Forum] said that a more effective government, one more capable of functioning, is needed. Will this happen?

[Boross] There is a determination. What this relates to, first of all, is that now, at this time, until the National Assembly elections, the tasks will have to be designated very carefully and implemented very quickly and effectively, all the more so because we have to reckon with the fact that the National Assembly deputies, with the approach of the elections, will find more and more things to do in their constituencies. And naturally, their ambition will be to prepare for the next elections.

[Tasi] According to the opinion of the Hungarian Socialist Party, what is needed in the next few months is not an active [cselekvoe] government but a caretaker government, just as at the time of the German government. How do you see this?

[Boross] I do not think that it would be in the interests of the Socialist Party or any other party that in this period, in the coming months, nothing should happen, that we should spend the time in slowly pottering around. But the demand must be precisely for concluding the various declared programs, the effectiveness of the implementation. After all, it is a question, in a significant proportion, of implementing laws that have been already adopted by parliament—or which are in a favorable stage of debate.

[Tasi] The Christian Democratic People's Party has recently stressed the importance of concluding a new coalition agreement. What is your opinion about this?

[Boross] I place the emphasis on coalition cooperation and an appropriate continuous exchange of views. It is natural that in the operation of a coalition government there are matters of such outstanding significance in which coordination of an interparty nature is also necessary. We have already more or less marked out the appropriate frameworks for this during the conversation with my friends.

[Tasi] Will there be any change in the earlier government program?

[Boross] The future government takes on Jozsef Antall's legacy and I do not think I have to go into the details why. In the speech which I will make in parliament I will incidentally dwell on this. What this means is that this government, this old-new government [ez a regi uj kormany], considers this government program to be binding. [end recording]

[Announcer] It was also heard at the press briefing that the task of deputy to Peter Boross will be carried out by Defense Minister Lajos Fur. This was said by Peter Boross, who added: In the situation that evolved in past months, when in practice he had to deputize for the prime minister [Jozsef Antall], his [Boross's] deputy was Lajos Fur.

Nomination Acceptance Expected

AU2012130393 Budapest MTI in English 1122 GMT 20 Dec 93

[Text] Budapest, 20 December (MTI)—Acting Prime Minister and Interior Minister Peter Boross, who was nominated for prime minister by President Arpad Goncz today [20 December], told reporters that according to the information available to him, he has justified hopes for his nomination to be accepted by Parliament.

Boross said that in the government manifesto he would foster the legacy of late prime minister Jozsef Antall and precisely define the tasks which the government will have to tackle until the 1994 elections.

Responding to questions, Boross said that, if required, he would be replaced by Defence Minister Lajos Fur. He added that the related agreement had been made last week.

Boross noted that in the past few months, while he served as substitute prime minister, his duties as interior minister were discharged by Fur.

Minister Kadar on GATT Agreement

AU2012172093 Budapest MAGYAR HIRLAP in Hungarian 17 Dec 93 p 11

[Interview with Foreign Economic Relations Minister Bela Kadar by Zoltan B. Kelemen; place and date not given: "The Threat of A Trade War Is Over"]

[Text] [Kelemen] In your opinion, what is the greatest importance of the recent GATT-agreement?

[Kadar] If no agreement had been reached, the danger of economic confrontation and trade war would have increased considerably. This would have had a negative effect, primarily on small foreign-trade-sensitive countries, through a slowdown in the rate of world economic growth. Thus, the failure to reach an agreement would have contributed to an increase in employment, and in social and political tension. The greatest merit of the agreement is that it has eliminated this danger, which has already mobilized protectionism and the connected extremist political forces in Central Europe.

[Kelemen] What can Hungary profit from all this?

[Kadar] The GATT-agreement does not affect our free trade agreements signed so far. Some 70 percent of our foreign trade turnover is already regulated by these

agreements. The current multilateral liberalization represents new conditions for the remaining 30 percent. From the viewpoint of our product structure, our agriculture and industrial trade could get a positive impulse because, as a result of the heritage of the past decades, Hungary was less involved in the trade in services.

[Kelemen] Exporters of agricultural products expect the most from this agreement. Will the more favorable export conditions be sufficient for the agricultural sector to extricate itself from its present situation?

[Kadar] Not necessarily in itself, but the agreement definitely creates more favorable conditions. In the case of agricultural products, the essential thing is that customs will decrease by 36 percent in a period of six years. The practice of customs duty has been accepted now; in other words, it is possible now to turn the various trade-limitation licensing practices into customs, and the customs duty can be reduced. The subsidies used in the agricultural and commercial sectors will also decrease now, on subsidies for production by 20 percent, on the amount of subsidized exports by 21 percent, and on the direct export subsidies by 35 percent.

[Kelemen] When will this agreement have tangible results?

[Kadar] According to the Geneva decision, the document will be signed by the ministers of 117 countries in Morocco in the middle of April 1994. Given the speed of the ratification procedures, the agreement will probably come into effect in July 1995, and then we will start feeling its trade-development and growth-incentive effects. Naturally, all this will take place during a longer period of about six years. According to the OECD and GATT, this agreement can increase the value of world trade by $210-$300 billion by the beginning of the next century.

[Kelemen] How will the Hungarian trade regulations change now?

[Kadar] Within six years after the agreement becomes valid, we will eliminate the licensing practice in our imports of agricultural products, and we will change these regulations into customs regulations. The current 20 percent import duty on agricultural products might increase to 45 percent, and then we will reduce this by 31 percent, slightly less than the average. On the basis of our exports results and exports structure of 1992, our agricultural sector will get a surplus income of $100-$130 million.

[Kelemen] To what extent will we have to modify Hungary's economic policy in the wake of the new agreement?

[Kadar] Competitiveness, rather than the bigger bargaining power of some big countries will determine the trade positions in the second half of this decade. Hungary has professional advantages, and these regulations will enable the assertion of these advantages in principle. However, our economic policy will have to focus on improving the country's competitiveness and production competitiveness much more than hitherto.

Hungary-EFTA Committee Discusses Free Trade

AU2012185293 Budapest MTI in English 1705 GMT 20 Dec 93

[Text] Budapest, 20 December (MTI)—The Hungary-EFTA [European Free Trade Association] joint committee held talks in Budapest on Monday [20 December] on tasks related to the free trade agreement between Hungary and the European Free Trade Association (EFTA).

Hungarian exports to the EFTA countries—Austria, Finland, Iceland, Liechtenstein, Norway, Switzerland, and Sweden—declined to a greater than average degree this year, according to Hungarian Minister of International Economic Relations Bela Kadar, who was speaking at a press conference held by members of the joint committee.

As a result of the free trade agreement which came into force on October 1, Hungarian trade with the EFTA countries—which account for 14 percent of Hungarian exports—is expected to increase.

Federal Minister of Economics Wolfgang Schussel of Austria, which country currently fulfils the presidency of the EFTA, said trade turnover between Hungary and the EFTA could double over the next four or five years, in the wake of the agreement. Indication of interest by entrepreneurs from the EFTA countries for Hungary is that they have set up more than 5,000 joint ventures with Hungarian partners.

Goncz Discusses Minorities with Slovakia's Kovac

AU2012130993 Prague CTK in English 1848 GMT 18 Dec 93

[Text] Budapest, Dec 18 (CTK)—The presidents of Slovakia and Hungary, Michal Kovac and Arpad Goncz, discussed current issues involving their two countries, particularly ethnic minority rights, in Budapest today.

The Slovak president was in the Hungarian capital attending the funeral of Hungarian Prime Minister Jozsef Antall.

Diplomatic sources claim that during the 20-minute meeting Kovac admitted that dissatisfaction of the ethnic Hungarian minority living in Slovakia was justified, because the responsible Slovak authorities have not yet looked into and resolved their problems, demands and complaints.

Defense Minister on Army Concerns, NATO

WS2012133493 Warsaw TVP Television Second Program Network in Polish 0635 GMT 18 Dec 93

[Interview with Polish Defense Minister Piotr Kolodziejczyk, by unidentified television reporter on the "Caliber" military program; place and date not given—recorded]

[Text] [Reporter] You were the last military defense minister and today you are fulfilling this post as a civilian. Did taking off the uniform change in any way your views on defense issues?

[Kolodziejczyk] Absolutely not. I do not believe in any magic behind what one wears. One's views are always a result of one's knowledge and experience and from that perspective, my views have not changed a bit. Naturally, a lot has changed in Poland and around it since I changed my uniform, and those changes must be taken into account when viewing issues, for instance, of the country's defense system.

[Reporter] No matter how one looks at it, the Defense Ministry is already civilian now, and that includes the defense minister himself.

[Kolodziejczyk] I am not sure whether it is 100 percent civilian. I am sure we are on the way to accomplishing full civilian control over the Armed Forces. By the way, that is a precondition for democracy in Western civilization. I hope civilian control will be genuine and complete within a short period of time. There are some issues still to be accomplished in that regard.

[Reporter] Our hopes for a speedy NATO membership have been shattered. Can the American Partnership for Peace proposal be satisfactory to us?

[Kolodziejczyk] Let us begin by saying that hopes have been shattered but not of everyone—only of those who were hoping we would find ourselves in NATO in just one step. I never thought that, I knew it had to be a process that would not be easy for either side. Personally, I am not disappointed because I am aware that a debate has just begun on the European security system and on NATO as its important part. Initial remarks have already been made in the debate, but we have not heard the final ones yet. Everything is still ahead of us, and during that debate, we have to speak with our own voice, we have to be a partner in the debate and we must speak about what bothers us, and what we fear, and about our view of a secure Europe. Security is indivisible—that is a fundamental issue.

As far as the American Partnership for Peace idea is concerned, it is undoubtedly quite an interesting initiative, and it would be much more interesting if it were more specific, more detailed, and if it provided certain terms to be met, even if they were very difficult. Right now, it continues to be quite a fuzzy concept, and I hope much will become clearer by the NATO summit on 10 January.

[Reporter] Will we be heading toward NATO separately or perhaps along with other countries like, for instance, those of the Visegrad Group?

[Kolodziejczyk] I think it is merrier and faster when you go with someone. Apart from that—like I said before—I think European security is indivisible, which means we should not only be thinking about our own security but also about security throughout the entire continent. Therefore I think the Visegrad Group is a good area for making the first step toward a European-Atlantic security system.

[Reporter] You once said: A country's sovereignty does not exist without a strong army. How do you intend to create a strong Polish Army?

[Kolodziejczyk] I think that for the moment, the army continues to be one of the main attributes of a country's security in the contemporary world. How does one create a strong army? Let us ask a different question: Is there a need for creating an army that would be quite effective and highly evaluated not only by its own society but also around the world? Would it not be more appropriate to stop the process of disintegration in the army, especially its technical degradation? It would not amount to any big effort—it would simply be meeting the minimum requirements from the standpoint of the needs of a sovereign country, and shaping expenditures on the army—and there is no hiding the fact that all armies are expensive—at the minimum level of 3 percent GDP. That money will certainly not be spent only on food and drink but it will be invested primarily in the Polish defense industry which would also be an antirecession measure contributing to decreased unemployment. This way, we think not just about tomorrow in our country but also about the future of our country's security where—I want to stress that again—the army is an indicator of sovereignty just as in any other country.

[Reporter] There is no way of accomplishing everything at once. What goals do you set before yourself for next year?

[Kolodziejczyk] Of course, I am aware that there has to be a hierarchy of goals maintained. Right now, stopping our army's technical degradation is the most important issue. Organizational structures need to be modified only to some extent. Our army continues to be efficient but we keep moving further and further away from European standards, especially in the technical area. We must find the monies for catching up with those standards because it means also our industry's contacts with extra-military technologies. There are also many other issues to be accomplished but I think that issue is the most important one right now.

Military Leaders: Defense Budget is Inadequate

LD2012213193 Warsaw TV Polonia Network in Polish 1830 GMT 20 Dec 93

[Passages in quotation marks recorded]

[Text] [Announcer] According to the National Defense Ministry, the 47 trillion zlotys [Z] allocated for the military next year is too little to ensure the defense of the country. Defense spending in Poland has been falling for the past eight years and is the lowest among all the states of the former Warsaw Pact.

[Correspondent T. Bialoszewski] The state's spending for the army has been falling since 1986. The Army is not purchasing any new equipment either from Polish or foreign manufacturers. The Army has begun using its last-resort reserves.

[Major General Tadeusz Grabowski, head of the Defense Ministry's Finance department, identified by caption] "We have considerably lowered our mobilization stocks. Further reduction of these stocks, especially of ammunition, fuels, and spare parts, is at the moment absolutely impossible; just the opposite is the case: we are forced to restock, mainly the ammunition, vehicle fuels, and oils."

[Bialoszewski] Next year's state budget envisages 2.2 percent of the gross national income, that is Z47 trillion for the Army. The Defense Ministry believes that if we are to maintain our defense at a certain level and purchase the necessary equipment, the Army needs Z10 trillion more. The Defense Ministry leadership believes that to make further economies on the Army is dangerous because it reduces our chances in case of a possible conflict.

[Deputy Defense Minister Jan Kuriata, identified by caption] "Because our stocks are somewhat lower, any fight against an enemy with a considerable advantage may be curtailed."

[Bialoszewski] Of all the former Eastern bloc states, Poland spends the least on its Army. A much larger gap is between us and the Western countries. A statistical Pole paid $50 last year to maintain the Army, a Czech $150, a Hungarian $110, but a German $472, and a Frenchman as much as $700. Armaments specialists believe that lack of government orders may lead to the collapse of the national defense industry.

[Jan Kuriata] "Foreign equipment of the same class is twice or even three times, and in some cases even five times more expensive."

[Bialoszewski] The Defense Ministry's draft budget will be adopted by the Council of Ministers before the end of the week. Final decisions will be taken most probably in March at a Sejm meeting. [video shows several items of military equipment; senior officers at a conference table; and a table entitled "Spending for the Army in 1992" showing: Poland - $1.1 billion; Czechoslovakia - $2.1 billion; Sweden - $5,8 billion; FRG - $40 billion]

More on Military's Concern

LD2012232293 Warsaw TV Polonia Network in Polish 2000 GMT 20 Dec 93

[Text] According to the National Defense Ministry, if spending on the military continues to fall, the Army will soon be unable to defend the borders effectively. Deputy National Defense Minister Jerzy Milewski believes the Defense Ministry budget in 1994 is likely to be less than this year.

[Reporter Rajewski] The amounts allocated for defense have been regularly reduced since 1987, and this year the Army got one- third of the money it did six years ago.

[Begin Deputy National Defense Minister Jerzy Milewski recording, identified by caption] "Next year is not going to be the first year of improvement for the national defense department and the Polish Army; it will still mean a decline." [end recording]

[Rajewski] In 1992 Polish defense spending amounted to $1.8 billion [figure as heard]; the Czechs spent more than $2 billion; Portugal, which is a quarter our size, spent the same as us, the Swedes spent nearly $6 billion, while the Germans spent $40 billion. The National Defense Ministry believes our spending is merely symbolic. We cannot allocate money for the purchase of modern weapons, and it is no longer possible to reduce our reserves. This year we could afford only two advanced aircraft with weapons.

The National Defense Ministry has decided it is not going to buy expensive Western weapons; it is going to spend this money on vital Polish-made equipment.

According to [Deputy] National Defense Minister Jan Kuriata, our Army is having difficulties but is still maintaining a state of readiness and could undertake military operations

[Begin Kuriata recording] "Because our stocks are somewhat lower, any fight against an enemy with a considerable advantage may be curtailed." [end recording]

[Rajewski] The National Defense Ministry believes that in order to maintain the present state of army readiness, at least 3 percent of the gross domestic product would have to be allocated. Next year the Army is likely to get only 2 per cent. [video shows helicopters, aircraft, warships; Milewski and Kuriata speaking]

A result of the shortage of money for weapons in the last few years is that the Polish Army is not the equal of some of our neighbors in terms of equipment. We have 281,000 servicemen and in that respect we are surpassed only by Germany with 412,000 and Russia with 1.5 million. [video shows following table: "Strength of the armed forces of Poland and neighboring states: Germany - 412,000; Russia - 1.5 million; Poland - 281,000; Czech Republic - 145,000; Belarus - 144,000; Slovakia - 140,000; Ukraine - 230,000."]

Our Air Force has 507 aircraft and behind us are only the Czechs, with 402, and the Slovaks, with 345. The Germans and the Ukrainians have three times as many as we do, and Russia has more than seven times as many. [video shows following table: "Numbers of aircraft:

Germany - 1,604; Russia - 3,779; Poland - 507; Czech Republic - 402; Belarus - 650; Slovakia - 345; Ukraine - 1,431."]

Only Slovakia and Belarus have fewer tanks than us. Germany, Russia, and also Ukraine are significantly ahead of us. [video shows following table: "Numbers of tanks: Germany - 7,093; Russia - 10,098; Poland - 2,850; Czech Republic - 3,208; Belarus - 2,263; Slovakia - 1,435; Ukraine - 6,204."]

In NATO armies the modern equipment indicators varies between 35 and 40 per cent. In Poland it has dropped to below 20. Some people in the military believe that in the event of an all-out attack we could defend ourselves no longer than we did at Westerplatte in 1939. [video shows Mi-24 helicopters in flight]

Milewski Concerned Over Defense Budget

LD2012170593 Warsaw PAP in Polish 1312 GMT 20 Dec 93

[Text] Warsaw, 20 December—Jerzy Milewski, secretary of state in the Chancellery of the President of the Polish Republic, head of the BBN [National Security Office], and first deputy minister of national defense—at a news conference held on 20 December—expressed a fear that the budget of the National Defense Ministry [MON] for 1994 "will again be lower than the budget for the previous year".

According to Milewski, one of the fundamental problems being faced by the Army is "maintaining Poland's defense readiness at an appropriate standard" and, consequently, "maintaining the defense budget at an appropriate level".

It transpires from data received from the Ministry that the percentage of the MON expenditures of Gross Domestic Product constituted 3.2 percent in 1986, 3.0 percent in 1987, 2.6 percent in 1988, 1.8 percent in 1989, 2.4 percent in 1990, 2.2 percent in 1991, and 2.0 percent last year.

Meanwhile, according to the Ministry heads, the needs of the defense budget call for at least a 3 percent share of the Gross Domestic Product.

Walesa Maintains Control Over Presidential Posts

LD2012225993 Warsaw Radio Warszawa Network in Polish 1800 GMT 20 Dec 93

[Text] President Lech Walesa has again said that he will not allow the defense, internal affairs, and foreign affairs ministries to become politicized because this would create divisions in the army and police. The president expressed this view at a meeting with regional media correspondents.

[Begin Walesa recording] We have no systemic solutions. Since there are no solutions, there have been attempts to rule from above and to return to the old solutions. At the same time the struggle put up by the rank-and-file has been too weak. It is not known what will come out of it.

A new team turns up, changes the ministers, several deputy ministers, also voivodas [provincial governors] and city mayors. Let us have a discussion at last and say: what should the winning coalition, or party, take away and have to change, and what should not be changed in a revolutionary manner with the arrival of a new team after elections. [end recording]

When asked for an assessment of Prime Minister Waldemar Pawlak's government, Lech Walesa said that, for the time being, he was an observer of the government's actions and that for this reason his relations with the prime minister were correct.

[Begin Walesa recording] I expect that this will end because I was elected by the whole nation and certain undertakings were made, so I have to listen directly to the voice of the people. For this reason I shall raise everything which was promised and not delivered, including all the solutions which should not take place, but are attempted. So, this nice idyll, which we have had up until now, may end, I expect. [end recording]

Lech Walesa also announced that he would be striving for a balance between the Left and the Right in Poland, which may push him to become a political president and representative of the Right. Lech Walesa will make a decision on this matter in spring next year.

[Begin Walesa recording] From the beginning my choice was that after the victory of the Solidarity era one should build political pluralism. In those days I supported Prime Minister Bielecki, so that he could build himself a party. Later I supported [Jaroslaw] Kaczynski and he was building himself a party. I was then being criticized for politicizing, and accused that the [Presidential] Chancellery was political, when the President should be above everything [party politics] and not interfere with all these various setups.

Now I am being criticized that I have no political power. When there are strong political parties, the president can be a mediator among the parties, a kind of an arbiter. If the Right—I am not helping the Right now because I am waiting for them to manage on their own, why should I interfere—does not do it, I shall again have to become a political president and bring about an equilibrium. However, I do not have an answer to this question. I shall probably have it in April, May, or June. By that time I shall have chosen my course of action and I shall be implementing it [as heard]. [end recording]

PM, Krzaklewski Discuss Budget, Enterprise Pact

LD2012221793 Warsaw PAP in English 2105 GMT 20 Dec 93

[Text] Warsaw, Dec. 20—Prime Minister Waldemar Pawlak met with Solidarity trade union leader Marian

Krzaklewski in Warsaw on Monday to discuss budget-related matters and the implementation of the state enterprise pact, reads a joint communique of the government and Solidarity, released by the government press bureau.

The PM and the Solidarity leader discussed some aspects of the present social and economic situation in the context of the 1994 budget law, especially the income policy towards workers' families.

Pawlak and Krzaklewski decided that a trilateral committee provided for in the state enterprise pact should start working as soon as possible. The committee will include representatives of the nationwide union federations, employers' organizations and the government.

The prime minister stressed the determination of his cabinet to introduce clear rules into the state property management.

Lithuania's Slezevicius Visits, Meets Oleksy

LD2112114693 Warsaw PAP in English 1028 GMT 21 Dec 93

[Text] Warsaw, 21 December—Lithuanian Prime Minister Adolfas Slezevicius began on Tuesday (21st December) a one-day visit to Poland with a meeting with the Sejm Speaker Jozef Oleksy, held in the Sejm (parliament) building.

"We have a lot in common and much to say to each other", Speaker Oleksy said, starting his conversation with Slezevicius.

Slezevicius, who is the chairman of the ruling Lithuanian Democratic Labour Party, arrived in Warsaw at the invitation of the leaders of the Social Democracy of the Polish Republic (SdRP).

The Lithuanian politician will meet Prime Minister Waldemar Pawlak and Aleksander Kwasniewski, the SdRP leader.

Danger Posed by Results of Russian Elections

AU2012191893 Bucharest ADEVARUL in Romanian 17 Dec 93 p 1

[Article by Bogdan Chireac: "The Munich Temptation"]

[Text] The international press and political analysts continue to comment on the results of parliamentary elections in Russia. For the time being, one can notice that all of them are focusing on the reasons that led to the unexpected success of ultranationalists. In the next period, the most important thing will be to find solutions to counterbalance the disastrous effect of the "Zhirinovskiy malady." Very pragmatic solutions have to be found. The concern of East European countries, which are on the front line, being adjacent to the former Soviet empire, has terribly concrete grounds, if we consider Zhirinovskiy's direct threat.

Given the great number of variations and unknown facts in Russia's current political-economic situation, pronouncing the exact prognosis of developments in that country and, thereby, finding solutions to problems, will not be an easy or rapid process. No doubt, Zhirinovskiy is a product of the terrible crisis prevailing in the former Soviet empire. The communist system destroyed the situation to such an extent that it provoked not so much a social implosion as the implosion of the system itself. However, Yeltsin's attempts to maximally accelerate reforms, imposing extreme efforts and shortages on the population, led to the success of a Zhirinovskiy type of person.

After the results of the elections were published, the West reasserted its support for Yeltsin, support that, as a matter of fact, he has enjoyed so far, with the results that we can see now. Maybe the West should display greater exactingness and accord more careful directions to the way in which this assistance has to be distributed. The billions of dollars that are directed toward the Kremlin should not only satisfy one political class, but also millions of desperate people who saw in Zhirinovskiy or in the Communist Party the solution to their problems and the way out from the misery in which they are engulfed.

As far as East Europe is concerned, no matter how strange it might sound, presently, it is not Zhirinovskiy that poses the great danger, but the fact that the West might give up this part of the continent. In September 1938, after the Munich Conference, in which France and England ceded Czechoslovakia to Hitler's Germany, Daladier and Chamberlain were posing in the role of heroes and saviors of peace. They were bitterly mistaken and their countries paid for their mistake with the price of millions of lives and immense suffering. Within this context, the major danger is precisely the "Munich temptation," the temptation that the West, in its desire to defend its comfort, would sacrifice East Europe, abandoning it to the brown-red Beast. For the time being, the reaction of the West has been, for East Europe, simply discouraging. Germany was preoccupied only with the fact that, due to the results of elections in Russia, NATO should display "caution" in its expansion toward East European countries. However, later a happier fact emerged, Germany seemed to change its political tune, admitting nevertheless that the Atlantic Alliance should remain an open body.

However, currently, the major problem is that there is no time for hesitations. The move of the West to abandon East Europe under various pretexts will, sooner or later, reflect on itself. And if we take into account that now, at the end of the 20th century, Zhirinovskiy can have what his idol, namely Hitler, still did not have, namely nuclear weapons, these hesitations might become fatal for all of mankind.

Former Communists Appointed to Supreme Court

AU2112124493 Bucharest ROMANIA LIBERA in Romanian 10 Dec 93 p 5

[Article by Tana Ardeleanu: "A Collection of Romanian Communist Party Secretaries—Supreme Council of the Magistracy Contested"]

[Text] The chairman of the Military Section of the Supreme Court of Justice, General Corneliu Badoiu, has officially contested the way the representatives of the Supreme Court of Justice in the Supreme Council of Magistracy have been selected. The Military Section has chosen Danila Stefan, a former Romanian Communist Party [RCP] secretary, as its representative on the Supreme Council of Magistracy.

After a brief inquiry we found out that among the members of the Supreme Court of Magistracy are: Marin Popa, the former head of the Disciplinary Commission of the Bucharest City organization of the RCP, Ecaterina Voropnic, the former secretary of the RCP organization at the Bucharest Municipality Court, and Costache Ivanov, the former secretary of the RCP organization at the Prosecutor's Office of the former Supreme Court of Justice.

We would like to add that the appointment of the members of the Supreme Court of Magistracy is made by parliament, which is to select the 15 members of that juridical body from among the names of legal experts forwarded to it by the courts of appeal throughout the country.

Melescanu Hints 'Certain Move' To Save Ilascu

AU2012194493 Bucharest ROMPRES in English 1829 GMT 20 Dec 93

[Text] Bucharest ROMPRES 20/12/1993—The Romanian Minister of Foreign Affairs Teodor Melescanu stated on 20 December in the Senate of Romania that "there is hope that in the following days we could be in the position to present to you concrete results" as far as the demarches for the salvation of the Ilascu group are concerned. The Romanian foreign minister referred to

"results connected to a certain move that might allow, later, the settlement of their situation," but, for diplomatic reasons, he avoided to give details.

Caritas Head Denies Collapse of Cluj Scheme

AU2112100793 Bucharest AZI in Romanian 4 Dec 93 p 5

[MEDIAFAX signed interview with Ioan Stoica, owner of the Cluj-based money-multiplying Ponzi scheme Caritas; place and date not given: "Just Because People Have Dug Its Grave Doesn't Mean That It's Dead"]

[Excerpts] [Reporter] What are the causes of your current problems?

[Stoica] There are several such causes. Let me mention a few of them: As I have already pointed out in the daily MESAGERUL TRANSILVAN, over the past eight months a certain segment of our press, especially certain journalists, have been trying to destabilize the system in the sense that they have been trying "to scatter the crowd." The press has managed, but not to the extent it expected, to destabilize the Caritas circuit. However, as anyone can see, Caritas has neither collapsed, nor will it collapse. The reason for that is quite simple and God makes it easy for every one of us to understand them: We should practice mutual assistance. I help someone, that someone then helps someone else, and so on, and that is how continuity is achieved.

[Reporter] Do you believe that PUNR [National Romanian Unity Party] has gained political capital thanks to you?

[Stoica] My dear sir, first I would like to clear up my views over politics. I have political views, the same way as you and everyone in Romania does. But having political views is one thing and putting them into practice, setting up a party, or promoting the ideas of a party is another. I think that from having political views to putting them into practice there is a very long way. Unfortunately this has not been understood by anyone. It is true, I very often appeared with Funar. But didn't I also appear with Zanc, who is the Cluj County prefect? I have absolutely nothing in common with PUNR or with Mr. Funar, who is the leader of PUNR. I have nothing in common with Mr. Zanc and his party either. I just have my political views, that's all. [passage omitted]

We have been cooperating with the [Cluj] mayor's office, please note, with the mayor's office and not with PUNR or any other party, regarding the donations coming from the Cluj citizens who have gained money by means of Caritas. They made donations, and the mayor's office, Mr. Funar and his employees—because the Cluj mayor's office does not consist solely of Mr. Funar—have distributed that money. [passage omitted]

[Reporter] Who do you think gained most from your scheme: yourself, the investors, or the state?

[Stoica] Personally I gained the least. The one who gained most was the man in the street. That gives me huge satisfaction. Even if tomorrow someone would point a gun here (he points at his head, editor's note). And I die... One person less in this world. But at least I know I really achieved something. And let me tell you that the state has gained, too. The 39 billion lei I transferred to state accounts is not exactly a trifle. I repeat, that is not a trifle at all. [passage omitted] About 18 million persons have invested in Caritas. It is true, that figure also includes those who have repeatedly invested in the scheme. Anyway, that is a huge amount of people, and considering their great number I hope that the good Lord will not let me fail now, just because some party leaders, some journalists, or some dailies want me to fail. I continue to tend to the scheme. [passage omitted] That was a concerted action. It was not done merely by one daily or one journalist. Behind every such daily I could distinguish the corresponding political force, political party. The day will come when I will publish the list of the [political] personalities that participated in the scheme. Currently Caritas is experiencing a convulsion. By convulsion I simply mean the lengthening of the time when [eightfold] winnings are paid. So what if now in Cluj that time period has grown [from the original three months] to six or seven months? That is no problem at all. Did you know that our office in the town of Gherla used to pay the winnings after six months and four days and currently that time has been reduced to three months and three days? One also has to wait patiently for 30 days before one receives one's salary from the company, right? [passage omitted]

My dear sir, in connection with Caritas and its alleged collapse, let me quote an old Romanian proverb. Our ancestors were brilliant people and came up with the following proverb: "Just because people have dug its grave doesn't mean that it's dead!"

[Reporter] Thank you very much!

Decline in Iliescu's Popularity Examined

AU2012181493 Bucharest EVENIMENTUL ZILEI in Romanian 18 Dec 93 p 1

[Editorial by Ion Cristoiu: "Why There Are Chants of 'Down Iliescu!'"]

[Text] Everyone has been able to note that, at recent demonstrations, there were more chants of "Down Iliescu!" than "Down Vacaroiu!" This thing could be surprising from at least two points of view. First, from a constitutional viewpoint. According to our country's basic law, the government and not the president is responsible for the management of the country's economy. Second, not long ago, one could note that Ion Iliescu was less contested. Before the September 1992 elections, the slogan of "Down Iliescu!" dominated actions in the street, by the press, and by independent intellectuals. After the elections, however, this public frenzy lessened considerably. For a few simple reasons.

Through his victory in the presidential elections, Ion Iliescu ensured a further four-year mandate for himself, despite all the opposition he encountered. For inexplicable reasons, feelings of resignation could be noted even among the president's most fierce opponents. Ion Iliescu's presence at the helm of the country seemed a fatality. It was like hail, frost, or storms, which cannot be prevented. An important role in lessening the opposition against Ion Iliescu was also played by certain presidential gestures and statements after the elections. The message he conveyed at the investiture ceremony, that is his firm support for the reform process and the market economy, came as a surprise. For a moment, those who had struggled against Ion Iliescu, because they viewed him as the last resistance of communism in Romania, thought that the president had changed along with the renewal of his mandate and that he had understood the true direction that has to be followed by history. At the same time, there were numerous items in the press regarding presidential efforts to achieve a government of national unity. These news items were credible, not only because of the contents of the message presented in parliament, but also because of the election results. The Social Democracy Party of Romania and the other leftist parties had won a relative majority in parliament due to the link made by the electorate between them and Ion Iliescu. One could say that those parties won due to Ion Iliescu. Thus the president had enough political capital to distance himself from one party or another in order to have the equidistance required for his position of chief of state.

Due to these trumps, for a pretty long time after the elections, Ion Iliescu benefited from the great chance of becoming a genuine national institution that is above the petty rivalry between parties and is looking toward broader horizons than the narrow interests of one or another of our political formations. He benefited from the chance of being viewed by the entire population as a factor of wisdom and balance, and as a last arbiter to whom to appeal as a last resort. Unfortunately, Ion Iliescu wasted this chance in a catastrophic way. As time passed, one could note with a dramatic disappointment that the president was unable to overcome the petty posture of party chief. He was unable to dissociate himself, at certain times, from the serious mistakes committed by the majority coalition parties. He did not have the strength to demonstrate to the people that he is not responsible for the disastrous policy promoted by the Nicolae Vacaroiu government on the socioeconomic level. There were numerous instances when Ion Iliescu could have publicly distanced himself from the weaknesses of the current cabinet. It is enough, for instance, to recall the discussion on corruption at the government level in the press and parliament. At that point, the president was in an extremely advantageous position. None of the cases exposed involved any of his staff. His public image was that of an honest man and relentless opponent of corruption. At that point, he could have distanced himself from the whole scandal. Thus he would have increased his political capital. He did not do so. Moreover, contrary to the advice by some of his counselors, he became a resolute advocate of the accused people. In the same fashion, Ion Iliescu also ruined the chance of distancing himself from the Vacaroiu government and his economic policy. It goes without saying that people's dissatisfaction with the current cabinet have reached a climax of late. It would have been desirable for Ion Iliescu to give at least the impression that he shared this popular dissatisfaction. To the stupefaction of all of us, Ion Iliescu proved to be one of the most determined public defenders of the Nicolae Vacaroiu government. He criticized the trade union and students movements much more fiercely than the prime minister himself. In this way, the president assumed the entire responsibility of the catastrophic policy practiced by the Nicolae Vacaroiu government. Consequently, how could there not be new and more fierce chants of "Down Iliescu!" than in 1990?

Presidency Conditions Acceptance of Peace Plan

AU2012205893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 20 Dec 93

[Text] As both aggressors continue attacking, the participants in the peace talks are gathering in Geneva. Prior to leaving for Geneva, President of the Presidency Alija Izetbegovic stated for Bosnia-Herzegovina Press that our state delegation would represent the conclusions reached by the Bosnia-Herzegovina Presidency regarding the peace process in Geneva.

By accepting the invitation extended by the EU ministers for the state delegation of Bosnia-Herzegovina to come to Geneva, the Presidency decided at its session to accept the proposed concept for a union [of republics], and to fortify the agreement on the union with legal guarantees in order to ensure its security, because it is assumed that it would be under great pressure from Belgrade and Zagreb.

The minimum of territory within the union under the rule of Bosnia-Herzegovina's legitimate authorities is 33.3 percent of the entire territory of Bosnia-Herzegovina. It was decided that Bosnia-Herzegovina would be organized as a democratic country with all human rights as established by international standards. The outlet to the sea on the sovereign territory has to be at Neum, while the outlet to the Sava River will be the port of Brcko.

They also accepted the proposal advocating a UN protectorate over Mostar and Sarajevo. The Presidency maintains the position that the clauses calling for a demilitarization of Bosnia-Herzegovina must be stricken from the agreement on the union and other agreements on peace, because our armed forces are the only guarantee of the state's security for as long as Croatia and the so-called Yugoslavia are not demilitarized.

Revisions to Agreement Introduced

LD2012183793 Belgrade TANJUG in English 1757 GMT 20 Dec 93

[Text] Geneva, Dec 20 (TANJUG)—The spokesman of the co-chairmen of the conference on the former Yugoslavia John Mills told TANJUG Monday that the peace agreement on the civil war-torn former Yugoslav republic of Bosnia-Herzegovina (BiH) had been revised. Among other things, the provision on demilitarization has now been omitted from the agreement.

The co-chairmen believe that this revision has laid a basis acceptable to all three warring sides, Mills said.

One of the principal corrections of the agreement regards demilitarization, which is no longer included in the document. The armies of the three warring peoples are now requested not to attack each other, as against the original document which envisaged their withdrawal from specific positions and areas, Mills explained.

Mills also confirmed that the concept of BiH as a union of three national republics was maintained.

A new round of peace negotiations on Bosnia-Herzegovina, where the war between local Serbs, Croats and Moslems has been raging for over 20 months, has been scheduled for Tuesday and Wednesday in Geneva and Brussels. The previous rounds had all failed, above all due to the Moslems' insistence on ever greater territorial concessions.

The spokesman of the two co-chairmen—Lord Owen (Britain) and Thorvald Stoltenberg (Norway)—insisted that the revision had not changed the essence of the peace agreement on BiH. The agreement concluded at the British aircraft carrier Invincible in the Adriatic last September has simply been edited, he said.

The peace negotiations on BiH are due to start on Tuesday at 11 A.M. at the Palace of Nations in Geneva. Mills did not however rule out the possibility of bilateral contacts between the co-chairmen and the representatives of the warring sides before the plenary session starts.

Ganic: Chance for Peace 'Slim'

LD2012221393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 20 Dec 93

[Excerpt] At the beginning of today's news conference Ejup Ganic [member of the Bosnia-Herzegovina presidency] spoke about our delegation's participation at the Geneva conference tomorrow.

[Begin Ganic recording] As you know, our delegation left [for Geneva] today. Our delegation in Geneva will represent the stances the Bosnia-Herzegovina assembly set some time ago as the guidelines for future negotiations.

Of course, the emphasis is not only on the territory, as Lord Owen has recently tried to say. The emphasis is also on the quality of the agreement. We cannot allow Bosnia-Herzegovina to be torn apart or that the parts where the Bosniak [Muslim] people are in the majority should be cut off from the sea and the Sava River and that there should be no good communication links between them.

But the fact is that the aggressor is attacking Olovo, Sarajevo, and Teocak—territories which could under no agreement become parts of some units with a Serb majority—is proof that the chances for peace are slim, because of the aggressor's actions. [end Ganic recording]

[Reporter] As you know, Ejup Ganic recently returned from a visit to Morocco, Algeria, Tunisia, Libya, and Egypt.

[Begin Ganic recording] The objective of my recent visit to the Maghreb countries was to acquaint the leadership of these countries with the situation in Bosnia-Herzegovina and to ask for greater political support for an equitable and peaceful [as heard] resolution of the situation in Bosnia-Herzegovina. One of the main objectives, of course, was to secure our economic interests and economic cooperation with these countries. [end recording]

[Reporter] Ejup Ganic spoke in more detail about the results of the visits to each of the individual countries. He stressed that they showed a large degree of understanding for our country's problems as well as an interest in establishing economic links.

During the visit to Libya, Ejup Ganic visited a camp where children from Bosnia-Herzegovina are accommodated. [passage omitted]

Fighting Continues on Eve of Talks

AU2012201393

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1800 GMT on 20 December carries in its regular 40-minute newscast the following reports on the continued fighting in the republic.

An unidentified correspondent from the Gracanica Press Center reports that "in the course of the afternoon and after fierce artillery preparations, the Chetniks attempted an all-out armored-infantry breakthrough on the Barakovac-(?Hodica) Glavica. This occurred at their usual time, at 1530 [1430 GMT]. Although they sustained significant losses in manpower and technical equipment, the Chetniks are not giving up on capturing this strategic route."

The studio announcer introduces a report from the Teocak Press Center and says that "today, over 3,000 projectiles landed on the Teocak area. Civilian buildings are being destroyed. The aggressor is also using helicopters, one of which was used to launch a Maljutka missile over Bjelalici." The Teocak Press Center correspondent takes over and says that "if to this we add the fire of five tanks from Prosjeka, then we can rightly say that the situation on Greben is hellish. Despite extreme exhaustion, our courageous defenders are holding their own, and are successfully withstanding the attacks of Mladic's hordes. Moreover, this morning at around 1000, another surface-to-surface Volkov missile was fired from the coal mine of the Ugljevik thermo-electric power plant. This was the twelfth missile fired so far."

Nijaz Banjanovic reports from the Zvornik Press Center and says that "in the afternoon hours, the Serbo-Chetnik planes dropped cluster bombs in the region of Skakovica and Saracka Brda. The shelling continues." He adds further on that "despite everything, the defense lines of the 206th Chivalrous Brigade are strong and unchanged."

The studio announcer says that "over 70 projectiles were launched today from the positions of the Croatian Defense Council [HVO] and the Croatian Army at the Gornji Vakuf town center. Snipers were also active."

An unidentified correspondent from the 4th Corps Press Center reports that "the fierce Ustasha offensive against Dreznica, which has been going on for a week, continued today. Rain, snow, and storms in the past few days did not deter them at all. In addition to launching several thousand shells, yesterday and early this morning they attempted infantry breakthroughs. After an artillery prelude, a fierce infantry attack followed in the direction of Karamanovi, Klastija, and Javorak, with the intention of taking positions on [name indistinct], which would create conditions for further offensive activity in the Drezanka River valley. This, in turn, would cut off Mostar and hinder more significant combat activity toward Jablanica. Only today, over 1,500 mortar, howitzer, and tank shells landed on civilian buildings and positions in the region of Gornja Dreznica, while the region of Donja Dreznica was fiercely shelled last night. The Ustashas are using everything: howitzers, tanks, (?mortars), helicopters, chemical agents, and they are even threatening to use the air force. However, the Bosnia-Herzegovina Army members are courageously withstanding all the Ustasha attacks."

Mirela Hukovic reports on the shelling of the Sarajevo suburb of Vogosca. She says that "the shelling commenced early this morning from the direction of Pretrznje. A howitzer shelled the wider region of Zuc and the city, while a tank could be heard from the direction of Sucurakuc. The morning hours were characterized by the aggressor's sporadic small arms' provocations. The enemy intensified his activities in the afternoon; a howitzer was used from the direction of Krivoglavci, a recoilless gun from Blagovac, while mortars from Kremes were also used against civilian buildings." The studio announcer adds that "other parts of Sarajevo were shelled with shells from various types of weapons from Trebevic, Poljine, Krivoglavci, Lukavica, and Otes. Inhabited parts of the city were sporadically targeted. A general alarm was sounded in the city this morning. Despite this, seven of our citizens were unable to avoid getting hurt because dozens of artillery shells landed on Zuc, Pelesici, Sedrenik, Mojmilo, Orahov Brijeg, and other places."

Buha on Need To Resolve Issues

LD2012154693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1423 GMT 20 Dec 93

[Excerpt] Trebinje, 20 Dec (TANJUG)—Without the resolution of issues concerning Sarajevo and the lifting of sanctions, no agreement can be reached at the Geneva-Brussels negotiations, Serb Republic Foreign Minister Aleksa Buha told Trebinje radio [in Bosnia-Herzegovina] today.

He added that if agreement on these two issues is reached, the Serb delegation would be ready to enter negotiations on the borders, territories, and percentages, which were put forward as conditions by the European Community, not only to the Serb side, but also to the Croat one.

As regards negotiations tomorrow and on Wednesday, Buha expressed optimism because, as he put it, things have begun to move. [passage omitted]

Tuzla Sources Say Arms Coming From Belgrade

AU2012170393

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1400 GMT on 20 December carries in its regular 28-minute newscast the following reports on the continued fighting in the republic.

Olovo correspondent Velid Djindo reports from the town and says that "this morning, as usual, the enemy's fiercest artillery attacks were aimed at the wider area of Krusevo, Bakici, and (?Kremenjaca). Sporadic fire from the enemy's antiaircraft and infantry weapons was aimed at the other parts of the Olovo front."

Tuzla correspondent Salih Brkic reports on an extremely poor line and says that "the everyday attacks at the Teocak-Zvornik front continued full force, while the town of Tuzla was shelled this morning around 0830 [0730 GMT]. [Words indistinct] the Majevica Chetniks fired over (?100) tank and howitzer shells from the region [words indistinct]." He adds further on that "the 2d Corps intelligence sources say that [words indistinct] were new quantities of arms and ammunition. Convoys carrying weapons and ammunition are arriving from Belgrade and other towns in Serbia."

The correspondent from the Gracanica press center reports that "the heroes of the 109th Brigade, together with the joint units of the 2d Corps, are not allowing the aggressor to move the lines a single inch. On the contrary. In a counter offensive, the brave defenders destroyed a Chetnik Bofors and several (?strongholds), while 10 Chetniks were killed." He adds further on that "since the attacks were repelled, the Chetniks kept to their established concept and began shelling Gracanica and the surrounding villages. They are killing women, children, and other civilians. Over 100 projectiles have landed on Gracanica, while over 200 landed on the villages of Glokotici, Stanic Rijeka, Hodzici, and Brijesce."

The studio announcer says that "in the course of the early afternoon the aggressor continued to use artillery against Sarajevo and the defense lines. A tank from (?Fitiljne) Stijene again shelled both the city and Sedrenik. Mortar shells launched from Lukavica landed on Mojmilo, while those launched from Vrace landed on Hrasno. The aggressor used a tank to launch six projectiles at the region of Spicasta Stijena. A sniper was active on Hromolje and a tank from (?Sucuratuc) pounded Ugorsko."

Serbs Fire at NATO Planes Over Sarajevo

AU2112120993

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1100 GMT on 21 December carries in its regular 18-minute newscast several reports on the fighting in the Republic.

The Teocak Press Center reports that "this morning the Chetniks launched a fierce infantry attack on (?Bivalic), with the support of five tanks, five Praga, and countless mortar batteries. Early this morning three howitzers fired incendiary shells at residential districts."

In his report from the Zvornik front, Nijaz Banjanovic reports that "this morning the [Serb] enemy from Relej and Savici has been shelling the positions of our defenders in Skakovici, and firing 82-mm mortars from Androvici at civilian targets in Vitinica. An antiaircraft machine gun from Pecina has been firing at Kraljevici and [word indistinct]. Seven civilians have been wounded in this morning's shelling."

Reporting from Gorazde, Enes Musovic says that "the Chetniks have been firing 82-mm mortars from Goli Vrh at Nisani, and using a 105-mm howitzer from the Praca valley against Renovica. Antiaircraft guns and machine guns from Karacici and Banj Stijena have been firing sporadically at the defense positions." The report says that "the UNHCR convoy has again been stopped in Medjedja, as the UN Protection Force [UNPROFOR] from Sarajevo has allegedly not provided it with military support."

The Bosnia-Herzegovina Army 1st Corps updates its report, saying that "since early morning almost the whole city has been reverberating to the explosions of the [Serb] aggressor's artillery. The heaviest attacks early this morning were directed at the region of Zuc, but the heavy artillery was only an introduction into the aggressor's attempt at an infantry breakthrough. They have launched five infantry attacks already this morning at points 850 and 830, and the area around Hotonjska Street, but—like so many times before—to no avail. They have struck with chemical agents for temporary disablement in the region of Ugorsko, but fortunately with no consequences. The aggressor is firing from tanks and howitzers from Lukavica, Azici, Doglodi, Saracevci, and Nedjarici at Hotonj, Brijesce Hill, (?Ablakovina), Brajkovac, Ugorsko, and the city itself: Mojmilo, Dobrinja, Vranjace, and Debelo Brdo. From the direction of Rajlovac, the Chetniks have already twice this morning fired with antiaircraft weapons at the NATO planes flying over Zuc. The Chetnik fire in the region of Zuc knocked down a power line which supplies electricity to the city. The Chetniks are concentrating in Borija and (?Lapisnica) so one can expect the aggressor to continue shelling the city and the defense lines throughout the day." The Sarajevo citizens are again warned to heed the general alarm and stay in their apartments and shelters.

Sarajevo Airport Closed

AU2112102093 Paris AFP in English 0957 GMT 21 Dec 93

[Text] Sarajevo, Dec 21 (AFP)—Relief flights into Sarajevo have been halted after a UN plane came under fire as it was about to land here, a UN Protection Force spokesman said Tuesday [21 December].

The Ilyushin-76 transport was hit by five heavy machine-gun bullets which damaged one of its fuel tanks just as it was about to land here Monday afternoon, Major Idesbald van Biesebroeck said.

The UN Protection Force plane was repaired and able to return to Zagreb, he added.

Maglaj-Bound Convoy Allowed To Proceed

LD2012135993 Zagreb Radio Croatia Network in English 1303 GMT 20 Dec 93

[Excerpts] According to Foreign Minister Mate Granic, the humanitarian aid convoy headed for Maglaj departed this morning but the one headed for Nova Bila is still being delayed. Granic stated that the Ministry of Foreign Affairs is asking the Bosnian Embassy in Zagreb to respect all political agreements and that they will be in contact with the UNPROFOR [UN Protection Force] commander, Jean Cot, and the Bosnian premier, Haris Silajdzic. [passage omitted]

Meanwhile in Nova Bila, the Franciscan hospital admitted two heavily wounded patients, who are in critical condition. A third person died because of a lack of medicine and diagnostic equipment.

Detained Aid Convoy Reaches Nova Bila

LD2012164493 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 20 Dec 93

[Text] We have just learned from the office of the White Path action for Nova Bila and Bosna Srebrena that around 60 trucks transporting humanitarian aid have entered Nova Bila. Radio hams in Nova Bila have reported that they have already seen jouralists and convoy leaders. The convoy for the Franciscan hospital in Nova Bila was welcomed by around 3,000 people.

Tudjman Hopes for Progress at Geneva Talks

LD2012185493 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 20 Dec 93

[Text] Republic of Croatia President Franjo Tudjman left Zagreb this evening for Geneva, where he will be taking part in the new round of peace talks. President Tudjman is accompanied by Deputy Prime Minister and Foreign Minister Mate Granic.

Prior to his departure from Zagreb airport, President Tudjman said:

[Begin recording] [Tudjman] The Geneva talks are just a prelude to the Brussels meeting. As you can see, the European Community, that is the European Union, and those attending with the European Union—the United States and Russia—they are all bending over backwards for something to happen. Let us hope we accomplish something, make some progress.

I do not know whether you have heard this already, but I received Chancellor Kohl's reply to my peace initiative today. He welcomed my peace initiative and explicitly said that many elements from my peace initiative were included in the Kinkel-Juppe proposal. Therefore, this is the first time we have a joint effort on the part of the international community and, on the other side, the evil of the protracted war and the ongoing tragedy on Croatian territories under the protection of the peacekeeping forces, that is, under Serb occupation. This tragedy has acquired such proportions in Bosnia that the world must do something to stop it.

[Reporter] Will Croatia present any new proposals?

[Tudjman] For God's sake, what new thing can we propose other than demand an end to the war, the reintegration of Croatian territories into Croatia's constitutional and legal system, and demand that a solution be found for Bosnia that would not only end the war but create preconditions for the stability of the order in this unhappy part of southeast Europe and the Balkans? [end recording]

Granic Updates Status of Nova Bila-Bound Convoy

LD2012153793 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 20 Dec 93

[Interview with Mate Granic, Croatian deputy prime minister and minister of foreign affairs, by correspondent Jadranka Kosor on 20 December; place not given—recorded]

[Text] [Kosor] Minister Granic, what is the news regarding the Nova Bila-bound convoy?

[Granic] A few minutes ago, I had a phone conversation with Colonel Tihomir Blaskic [commander of the Croatian Defense Council Vitez operational zone] who is in Vitez. The Bosnian Muslim side is still laying enormous obstacles before the convoy by putting forward fresh demands—which means that some trucks must be left behind as hostages and that doctors and journalists cannot go with the convoy without the letters of accreditation that were torn up back in Gornji Vakuf.

Further on, the convoy must reach its destination, be unloaded, and return in 24 hours. The convoy must travel in two parts. The first part of the convoy left some 10 minutes ago. With regard to the second part of the convoy, it will leave only after the first one has returned.

This is the latest news. Despite guarantees obtained from top levels, including those given by [Bosnian] Prime Minister Silajdzic and General Cot, unfortunately, as you can see, the situation in the field is not unfolding in accordance with their promises.

This evening we will have an opportunity to talk with President Izetbegovic. In any case, we have been closely observing all developments in the field in direct contact with the HVO [Croatian Defense Council] command in Vitez and with the leaders of the convoy. If the convoy runs into any obstacles, this will have unforeseeable, negative consequences for the overall humanitarian group of issues and for our relations.

This is also a conclusion that we reached at a session of the Council of National Security today.

[Kosor] Will this also be discussed at a session of the Croatian Government?

[Granic] This will also be discussed at a session of the Croatian Government. In any case, however, the most important thing for the time being is that the convoy reaches its destination and safely returns. This is of primary importance. Later on, we will inform the entire world about everything.

[Kosor] So, we can say that the first part of the convoy has left Pavlovica.

[Granic] We were informed that the first part of the convoy left Pavlovica 10 minutes ago.

Federal

Jovanovic Says Negotiations Step Toward Peace

LD2012143493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1208 GMT 20 Dec 93

[Text] Belgrade, 20 Dec (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic stated today that the forthcoming round of peace negotiations on Bosnia, which is to be held tomorrow and on Wednesday in Geneva and Brussels, represents a decisive step toward peace.

In talks with a group of journalists of leading Bulgarian media who are visiting the FRY [Federal Republic of Yugoslavia] as guests of the Federal Ministry of Information, Jovanovic said Geneva and Brussels will clearly show to the world who is for peace and who is for war.

According to the Yugoslav foreign minister, new territorial demands being put forward by the Bosnian Muslims may be one of the possible obstacles for the final signing of a peace agreement on Bosnia. However, as he said, 3.3 percent of new territories, in addition to the 20 percent which the Bosnian Serbs had earlier promised, are "no obstacle to peace, even less so can they be an excuse to continue the war."

"If the three Bosnian leaders sign a peace agreement we shall condition our signature (Serbia and Montenegro) with the suspension of sanctions and their complete abolition after all provisions of the agreement have been implemented," Jovanovic said.

Jovanovic estimates that, on the basis of a series of bilateral negotiations—between Bosnian Serbs and Muslims, and between Bosnian Croats and Muslims—ahead of the fresh negotiations in Geneva and Brussels, better atmosphere between the three warring sides and an awareness that a peace agreement can be reached have been created. "This may happen in Geneva tomorrow, or in Brussels on Wednesday," Jovanovic said.

The federal foreign minister said that the Bosnian Serbs and Croats are ready to sign the agreement tomorrow. However, the problem lies in the behavior of the Muslim side, which has not yet stated its stand, obviously trying to keep other negotiators in suspense until the last moment.

Reflecting on Russia's role in the negotiating process, Jovanovic said Moscow has announced a more ambitious approach as well as a new Russian plan for a solution to the Bosnian conflict and Yugoslav crisis. He could not, though, reveal any details about the nature of the plan because the Russians will present it in Geneva tomorrow. "I do not believe that this plan can deviate from the proposed peace agreement for Bosnia while Russia's more pronounced presence in the peace process might be beneficial for everyone," Jovanovic stressed.

The Bulgarian reporters were interested in Jovanovic's view on the presence of U.S. troops in the Former Yugoslav Republic of Macedonia. "We are not paying much attention to them but it seems that they are now upset by the fact that peace reigns along the border with Serbia, that is Yugoslavia, thus making their presence pointless," Jovanovic said and added: "This whole story about the threat from the north is a fabrication made up by Macedonian President Kiro Gligorov. In this way he wants to win international recognition and get more economic and military aid from abroad."

Finally, Jovanovic was asked about possible regional cooperation in the Balkans and the creation of an atmosphere of trust. In his view, in order to achieve this goal the Yugoslav crisis should be resolved first, as well as some other problems such as those between Greece and Turkey, Greece and the Former Yugoslav Republic of Macedonia, the FRY and Albania. "I believe that one could start creating an atmosphere of trust in the Balkans immediately following a solution for the Yugoslav crisis," the head of Yugoslav diplomacy says.

Serbia

SPS, Opposition Parties Claim Election Victory

LD2012211093 Belgrade TANJUG in English 2029 GMT 20 Dec 93

["Pool" item]

[Text] Belgrade, December 20 (TANJUG)—While officials of the ruling Socialist Party (SPS) in the Yugoslav Republic of Serbia claim their party won a majority of votes in Sunday's early parliamentary elections in the republic, opposition leaders point out that most of the Serbian citizens have voted for changes.

SPS spokesman Ivica Dacic said on Monday that the success of his party resulted from the positive evaluation of its hitherto work.

The SPS will win either an absolute or a relative majority while the opposition parties will "continue to have an absolute minority," he said.

Dacic said there were no initiatives for calling elections on the federal level.

Vuk Draskovic, the leader of the Serbian Renewal Movement (SPO) and the Depos [Serbian Democratic Alliance] coalition of opposition parties, said two thirds of the population had voted against the ruling SPS and, consequently, against Serbian President Slobodan Milosevic.

Draskovic said that the relative success of the SPS resulted from election irregularities, especially from the work of the state-run television. He voiced doubt that the SPS would win an absolute majority in parliament.

He said the opposition as a whole would win between 133 and 138 of the 250 seats in the republican parliament, which would be sufficient for forming a democratic government.

The opposition should draw a lesson from the past elections and prepare for federal elections as a united force, Draskovic said.

Zoran Djindjic, president of the Executive Committee of the Democratic Party (DS) who headed all election lists of his party, also said that the SPS would not win a sufficient number of votes to be able to form its own government.

He said his party would not support a minority government of the SPS or become its coalition partner.

He said the DS urged the forming of a government of national unity and did not rule out the possibility of an enclosure of socialists in such a cabinet.

Andras Agofton, president of the Democratic Alliance of Vojvodina Hungarians (DZVM), a party rallying ethnic Hungarians in the northern province of Vojvodina, voiced satisfaction with the turn- out of voters and the number of votes received by his party.

Agoston said that the DZVM would receive between seven and ten percent less votes than in the previous elections and that it would have at least five deputies in the republican parliament, or possibly nine, as many as it had in the previous composition.

Head of the main election headquarters of the Serbian People's Renewal (SNO) Zoran Atanask Vic said the unofficial results, according to which the SPS is in the lead, showed that the Serbian people had not yet opted for changes, which, in his opinion, is disastrous.

'Absolute Triumph' for SPS

AU2012222293

[Editorial Report] Belgrade RTB Television Network in Serbo-Croatian at 1830 GMT on 20 December in its "Dnevnik 2" newscast carries several correspondents' reports about results of elections in Serbia.

Jasmina Mircetic reports from the Republican Electoral Commission on "incomplete and unofficial results of the Republican Statistical Institute." With one-third of the electorate processed, the Socialist Party of Serbia [SPS] is leading in all nine constituencies. The SPS has so far won 116 seats in the Serbian Assembly, followed by Depos [Serbian Democratic Alliance] with 47 seats, the Serbian Radical Party [SRS] with 40, the Democratic Party [DS] with 33 seats, and the Democratic Party of Serbia [DSS] with nine seats.

Reporter Stanko Pevac from Novi Sad Television studio says that the Novi Sad constituency has 20 communes and that citizens voted for 28 deputies to the Republican Assembly. He interviews the head of the Novi Sad constituency electoral commission Marko Verjamovic, who says that "the latest reports say that results have been processed for 331 polling stations out of 714. The processed communes are Novi Sad, Backa Palanka, Backi Petrovac, Stara Pazova, Sremski Karlovci, Sombor, and Ruma, which represents 57.7 percent of the constituency's electorate." Verjmovic says that the percentage is as follows: "The SPS has received 30.62 percent, the SRS 21.35 percent, the DS 12.88 percent; Depos, the united opposition, 11.81 percent; and the Democratic Coalition for Vojvodina 5.80 percent."

Miroslav Pusic reports on the "unofficial" results in the Zrenjanin constituency as reported by the head of the electoral commission: "The turnout was 68.39 percent of the electorate. The majority of 10 seats is won by the SPS; 152,517 citizens, that is 28.02 percent of the electorate, voted for that party. Following is the Democratic Alliance of Vojvodina Hungarians with 15.80 percent of votes and five seats; Depos with five seats and 13.64 percent of votes; the SRS with 12.37 percent of votes and four seats; and the DS with four seats and 11.98 percent of votes."

The Pristina Television studio announcer says that "the electoral results of the Pristina constituency are still not known, but according to results known so far, one can already speak about the real triumph by the Socialists on the one hand and a convincing defeat by the opposition on the other. It is unofficially evaluated that at least 80 percent of seats have been won by the SPS. The electoral commission will present first electoral results in about one hour."

Sladjana Stamenkovic reports on the results at the Nis constituency, saying that "the Socialists are registering a convincing victory. Up to 1630 [1530 GMT], the constituency's electoral commission has processed 48.02 percent of the electorate. According to unofficial and incomplete results, 37.99 percent of voters voted for the leading SPS; the SRS has received 15.20 percent; Depos 14.83; the DS 13.38; and the DSS 5.38 percent. As regards assembly seats, and there are 24 in this constituency, and according to results so far, SPS has won 11, the SRS, Depos, and the DS four seats each, and the DSS has won one seat."

Aleksandra Vranovic reports about results in the Kragujevac constituency, saying that "out of 1,377 polling stations, 824 have been processed, that is, 60.22 percent. According to these results, most seats out of 29 have been won by the SPS, 12, followed by Depos with seven, and the SRS with five, the DS has three and the DSS two seats."

Tatjana Djuric reports about results in the Smederevo constituency saying that "out of 795 polling stations in the Smederevo constituency, the electoral commission has so far processed results from 370 polling stations, that is 42.46 percent of the electorate. On the basis of the counted ballot papers, it was established that the SPS has won the largest number of votes, 37.39 percent; 22.83 percent voted for Depos; 11.27 for the SRS; 10.79 for the DS; and 5.45 percent for the DSS. According to the results, the SPS can count on 10 out of 22 seats in the

Serbian Assembly; Depos has won six, the SRS three; the DS two; and the DSS one seat."

Milorad Cvetkovic reports from Leskovac saying that in the Leskovac constituency, "the SPS had an absolute triumph" and that "according to latest results from 1900 hours, and 451 polling stations, that is, 30.15 percent of the electorate have been processed until then, 151,399 voters, that is, 70 percent of electorate have turned out at the polls. Voting for the SPS were 57.07 percent or 90,642 voters. The SRS has 11.63, Depos 9.93, and the DS 9.93 percent of votes." Further on, Cvetkovic says that "according to these results, the SPS has already won 17 seats in the Serbian Assembly, the SRS and Depos have won three each, and the DS has won two seats."

Branko Stankovic reports about the results in the Uzice constituency saying that "results are known from 368 out of 1,250 polling stations, that is, 28.84 percent of the electorate. According to these still unofficial and incomplete results received at 1900 this evening, the SPS has won nine seats, Depos has won six, the SRS five, the DS three, while the DSS has won only one seat."

Dragoslav Gogic reports on the Krusevac region saying that "67.3 percent of the electorate has turned out at the polls in Krusevac, and the SPS has won 28,242 votes, that is 37.9 percent. Second one is Depos with 19.45 and the SRS with 12.84.

Early Tally: SPS 121 Out of 250 Seats

LD2112103493 Belgrade TANJUG Domestic Service in Serbo-Croatian 0943 GMT 21 Dec 93

[Excerpts] Belgrade, 21 Dec (TANJUG)—According to the latest unofficial and incomplete data from the republic's Statistics Institute, based on two-thirds of total votes—processed up until this morning, the Socialist Party of Serbia [SPS] has won 121 [out of 250] seats, or 35.12 percent.

Depos [Serbian Democratic Alliance] [Draskovic's united opposition] won 44 seats, or 17.14 percent. The Serbian Radical Party [of Vojislav Seselj] won 40 seats, or 13.72 percent; the Democratic Party won 29 seats, or 12.13 percent; the Democratic Party of Serbia won seven seats, or 5.36 percent. [passage omitted]

Votes from all polling stations are expected to be processed by the end of the day.

Elections 'Fair, Correct'

AU2112120293 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 20 Dec 93

[Report by Tamara Motrenko]

[Excerpt] The elections in Serbia were held in a correct atmosphere. This is how representatives of the observers mission of the French foundation (?C'est Liberte), who monitored the parliamentary elections on Sunday, assessed the event. Thirty-five distinguished people—members of parliament and parliamentary parties from Romania, France, Bulgaria, Albania, Hungary, Germany, and Poland—said that they had not detected any irregularities at the polling stations that they had visited.

The elections in Serbia took place in a correct and fair atmosphere. All the citizens voted freely, and the electoral process and the monitoring of the voting was satisfactory and corresponded to the standards of multiparliamentary democratic systems. This is the conclusion presented by the British observers at the news conference in the Serbian Assembly's press center. Sir Russell Johnston, member of the House of Lords of the Parliament and member of the Liberal Democratic Party, stressed that he was familiar with many electoral systems of Central and East European countries, and that he had enough experience to make objective and valid conclusions about elections and the voting methods. As far as the Serbian elections are concerned, Sir Russell concluded that the citizens had voted freely and that the electoral results would reflect the will of the people and their opinion. Robert (?Warring), member of the House of Commons and member of the Labour Party, said that the observers were allowed to visit several polling stations, which they picked of their own free will, they were allowed to monitor the concrete act of casting ballots, and they were allowed to check the voters' identity and voters lists. (?Warring) stressed that as far as quality and secrecy were concerned, the procedure and the customary electoral process had been completely observed. The British observers had the chance to talk to a great number of Serbian citizens at seven polling stations. They discussed whether they would vote and why. They received sincere answers from the majority of voters. Of course, the citizens did not discuss whom they would vote for, but the general impression of the British observers is that the Serbian citizens turned out in significant numbers in order to—as they claim—vote for changes for the better.

Sir Russell Johnston stressed that unlike in many European countries—in East Europe for example—they noticed that at the republican elections in Serbia, many representatives from different parties were part of the commissions and that the counting of the ballots took place at the polling stations. This in itself eliminates the possibility of irregularities. In response to a reporter's question as to how they would answer those people who claim that Serbia is the last communist country in Europe, Mr. Russell Johnston said: Serbia certainly is not the last communist country in Europe. The building of the multiparty system is in accordance with democratic principles, and it allows Serbia to develop into a country with a true multiparty system and government. These elections demonstrate this, said Sir Russell Johnston. [passage omitted]

SD Leader Rejects Coalition With Socialists

AU2012150893 Paris AFP in English 1441 GMT 20 Dec 93

[Text] Belgrade, Dec 20 (AFP)—Serbia's Democratic Party (SD) said Monday it would join opposition parties

to form a "government of national salvation" rather than back a minority government formed by President Slobodan Milosevic's ruling Socialist (ex-communist) party.

SD leader Zoran Djindjic, whose party was expected to finish well up on its tally of six seats in the previous assembly, said he regarded it as the "duty" of the opposition to "ensure the discontinuity of the government, particularly in the economic sphere."

He cited party estimates that the SD could obtain 32 seats in the 250-member assembly elected in Sunday's poll.

During the election campaign Djindjic had hinted that his party was prepared to cooperate with the Socialists in parliament.

A Socialist party spokesman claimed Monday that the ruling party would end up with an absolute majority. Ivica Dacic said they were "sure" of at least 124 seats and could end up with 128, compared with 101 seats previously.

First official results are not expected before Wednesday.

"None of the three previous Socialist governments has met our expectations," Djindjic said.

"We are calling for a government of national unity which will not act on the basis of party programmes. We are for a competent, strong and honest government which will win the support of most of Serbia," he said.

Djindjic said he was prepared to collaborate "in the interests of the people" with the third-ranked ultra-nationalist Radical Party, led by the neofascist Vojislav Seselj, and the Democratic Movement of four opposition groups (Depos [Serbian Democratic Alliance]), dominated by Vuk Draskovic's grouping SPO [Serbian Renewal Movement].

"We must not identify this party with its president," he said. "The actions of Seselj and some of his colleagues are a matter for the police."

Seselj, along with rival ultra-nationalist Zeljko Raznatovic, known as Arkan, who heads the Serbian Unity Party, have figured on a U.S. list of suspected war criminals for their actions at the head of militia forces which carried out ethnic cleansing in Bosnia-Herzegovina.

Macedonia

Sweden To Establish Diplomatic Relations

AU2112092193 Paris AFP in English 0136 GMT 21 Dec 93

[Text] Stockholm, Dec 21 (AFP)—Sweden is to establish diplomatic relations with the former Yugoslav republic of Macedonia, the foreign ministry here announced on Monday.

Bulgaria meanwhile said it was up-grading its own links with Macedonia from consular to ambassadorial level and would open an embassy in Skopje.

In Stockholm, the Swedish foreign ministry said its decision did not imply that Sweden had taken Macedonia's side in its dispute with Greece over its right to call itself by the name historically reserved for Greece's own northern province.

Meanwhile in Brussels, European Community foreign ministers discussed with an irate Greece the recent decision by six E.C. countries—Germany, France, Britain, Denmark and the Netherlands—to recognise Macedonia.

French Foreign Minister Alain Juppe said after the talks that recognition was a "normal and useful" move and "not an unfriendly act against Greece".

Kosovo

Number of Voters Small in Serb Elections

AU2012123693 Tirana ATA in English 1125 GMT 20 Dec 93

[Text] Pristine, December 20 (ATA)— The Albanians of Kosova did not take part in the Serbian elections, therefore the number of voters was rather small. Some 77 thousand voters out of one million citizens with the right to vote in Kosova have voted for the Serbian Parliament. Only 0.07 of the electors have voted in the commune of Glllogovc.

Kosova has made its elections and has declared its independence in the referendum for Kosova—a sovereign and independent state, in 1991, in which 99 percent of the voters were for the independence of Kosova from the Serbs.